

THE RECAP

A ROUND-UP OF MEDIA, ENTERTAINMENT & GAMING INDUSTRIES' LEGAL UPDATES

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AUTHORS: RANJANA ADHIKARI | SARTHAK DOSHI | SRIJA RAY | KANISHKA SINGH

INTRODUCTION

"Old and new make the warp and woof of every moment. There is no thread that is not a twist of these two strands."¹

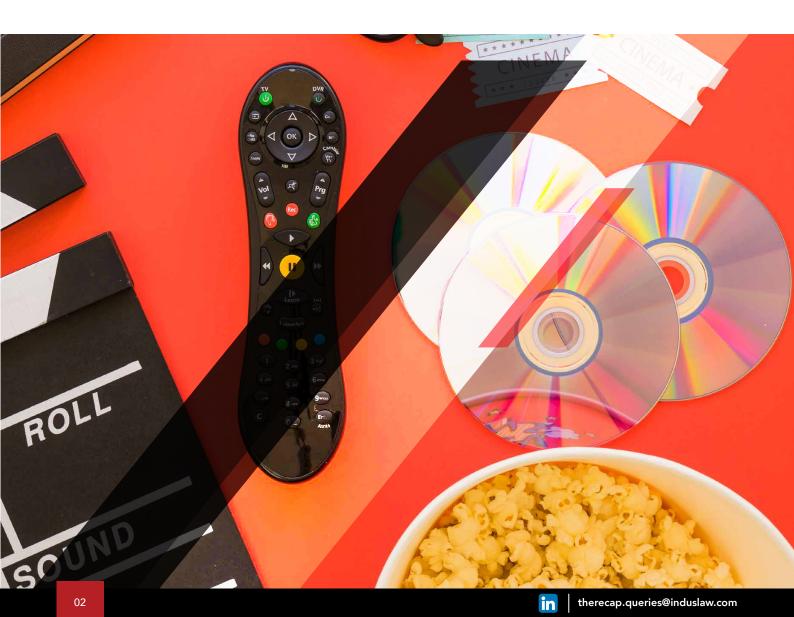
- Ralph Waldo Emerson

Emerson was a 19th century American philosopher, essayist, and abolitionist. In the 1830s, through his writings and speeches which criticised society for its unthinking conformity, he laid down the foundation of 'transcendentalism' – a literary, philosophical, and religious school of thought. Transcendentalism believes in the essential unity of all creation, the innate goodness of humanity, and urges each person to find, in Emerson's words, "an original relation to the universe" rather than one dictated by society's retrospectives.

However, despite his uncompromising emphasis on new experiences for the revelation of the deepest truths, Emerson in a lecture in 1859 accepted the impact of the past, on the present and the future.

We cannot agree more as we bring to you the ninth volume of The Recap, and the first one of 2023. The new year has commenced but it is only by looking back, recapping, and contemplating its occurrences, can we prepare ourselves to unravel what lies ahead in 2023 for gaming and media & entertainment laws in India.

^{1. &#}x27;Quotation and Originality', a lecture given by Emerson at Freeman Place Chapel, Boston, Massachusetts in March 1859. 'Warp and woof' mean the foundation or base of any structure.



MEDIA & ENTERTAINMENT

TRAI has issued consultation paper on convergence of broadcasting and telecommunication services

Recently, the Telecom Regulatory Authority of India ("**TRAI**") has released its consultation paper on "Regulating Converged Digital Technologies and Services – Enabling Convergence of Carriage of Broadcasting and Telecommunication services" ("**Consultation Paper**"). The TRAI seeks stakeholder views on convergence of technologies and the consequent changes that may be required in present legal, administrative and licensing frameworks to address the challenges posed by convergence.

The Consultation Paper has been released pursuant to the communications by the DoT to TRAI, in October 2021 and August 2022, wherein the Department of Telecommunications ("**DoT**") had sought recommendations on amending the licensing regime to enable convergence of telecom and broadcasting services and the consequent legal and policy changes that may be required. The TRAI has noted that recent technological developments have allowed for convergence of services and technologies, specifically for broadcasting and telecommunications, which had earlier been distinct from each other. Additionally, such convergence may also result in the development of new technologies that may not have any regulatory framework governing it.

Accordingly, TRAI has sought industry views on the legal and policy changes required to address and regulate such convergence of broadcasting and telecommunication services. TRAI has also highlighted the need to have a unified policy framework and spectrum management regime for the carriage of broadcasting services and telecommunication services. Importantly, it has raised the issue of regulatory burden and inconsistencies, that have resulted from the distribution of similar functions across ministries and departments of the government, and has raised the need to review and propose changes to the existing regulatory framework to accommodate the same.

The last date for submission of comments on the Consultation Paper is February 27, 2023, and the counter comments must be submitted by March 13, 2023.

You may access the notification by TRAI here.

You may access the Consultation Paper here.

Actors Amitabh Bachchan and Rajinikanth take steps for legal enforcement of their 'personality rights'

The Delhi High Court recently granted an omnibus adinterim ex-parte injunction in favour of Amitabh Bachchan, in a lawsuit filed by him to safeguard his publicity rights from a fake Kaun Banega Crorepati ("**KBC**") lottery scam.²

Amitabh Bachchan approached the Delhi High Court after scams forwarded on WhatsApp were found to be using his name and photographs. Drawing the Delhi High Court's attention towards the lottery scams which have been wrongly using the actor's picture, Amitabh Bachchan petitioned the court for an omnibus injunction against the 'world at large', to safeguard his name, image, voice, or any of his qualities that were used without his authorization.

The Delhi High Court remarked that it was an undisputed fact that Amitabh Bachchan is a popular personality, represented in many advertisements. It observed that the use of Amitabh Bachchan's celebrity status without his authorization or permission, would cause irreparable harm and injury to his reputation, some of which may also bring disrepute to him. It, therefore, granted an ad-interim exparte injunction and ordered the telecom service providers to block access to all phone numbers used by the defendants to circulate messages on messaging applications like WhatsApp, which amounted to an infringement of Amitabh Bachchan's rights. The court also directed the DoT and the Ministry of Electronics and Information Technology ("MeitY") to order the respective ISPs to pull down all links or websites provided by the plaintiff in the plaint. The next date of hearing of the case has been listed as March 20, 2023.

Similarly, a recently issued public notice by actor Rajinikanth through his legal counsel also cautions that unauthorized usage of his name, image, voice or likeness and "other characteristics" that are uniquely identifiable and associated with him, shall invite civil and criminal legal action. This notice comes as a consequence of misappropriation and misuse of Rajinikanth's publicity and / or personality rights by unauthorized persons on digital and physical media, that the actor has taken cognizance of and warned against.

You may access the Delhi High Court order here.

The legal notice may be accessed <u>here</u>.

^{2.} Amitabh Bachchan v. Rajat Nagi & Ors,, Civil Suit (Commercial) No. 819/2022.

Delhi High Court directs YRF to make 'Pathaan' accessible to persons with disabilities

Delhi High Court has directed Yash Raj Films ("**YRF**") to make the film 'Pathaan' more accessible to persons with disabilities by adding audio description, closed captions and subtitles. The petition, sought directions against YRF (producer of Pathaan) for enforcement of various rights and accessibility requirements, as prescribed under the provisions of the Rights of Persons with Disabilities Act, 2016 ("**RPWD Act**").

The petitioners in the present case, contended that the government has an obligation to take measures to ensure that all available content is accessible to persons with disabilities under Section 42 of the RPWD Act.³ Even after 5-6 years of enactment of this statute, most films released in India do not cater to disabled persons. They further submitted that in many foreign countries, theatres use technology like headphones and mobile applications for audio description for visually impaired individuals. The Delhi High Court held that a reading of Section 42 of the RPWD Act in context of films shows that the government has an obligation to take measures like adding audio description, closed captions and subtitles to ensure that all available content is accessible to persons with disabilities.

Further, the Delhi High Court discussed the issue of accessibility vis- a-vis visually disabled persons' right to life and observed that accessibility to information, technology and entertainment, is crucial and is incorporated under Article 21. Additionally, it was noted by the Delhi High Court that not only the government but even private parties have to ensure that 'reasonable accommodation' measures are taken in order to enable greater accessibility for the hearing and visually impaired persons.

The Delhi High Court concluded the opinion by directing the producer to prepare the audio description, the subtitles in the Hindi language, and the closed captions in both English and Hindi languages for the film's OTT release and submit the same to the CBFC for re-approval and re-certification. For theatrical release, since Pathaan was scheduled to be released on January 25, 2023, at that time, no directions were passed.

You may access the Delhi High Court's order here.

Delhi High Court issues summons in YRF vs. Triller copyright infringement cases

In a copyright infringement matter between Yash Raj Films and Triller, the Delhi High Court has issued summons to Triller, an American video sharing and entertainment platform. YRF has accused Triller of copyright infringement for allowing third-party users to change and adapt YRF's sound recordings using an extraction tool on Triller's website and application, without a valid license from YRF. It has also demanded INR 6 crores in damages. According to the petition, YRF has accused that despite sending multiple legal notices to Triller, the majority of links remained active, which is in violation of the takedown obligations. In response, the platform had claimed to rely on the "safe harbour" provisions provided to the intermediaries.

Further, YRF has submitted that Triller has an audio extraction feature that goes beyond the intermediary's restricted role as described in Section 79(2)(a) of the Information Technology Act, 2000 (the "**IT Act**"). Therefore, it cannot ask for the "safe-harbour" protection that the IT Act provides for intermediaries.

YRF's lawsuit had sought a permanent injunction prohibiting Triller from hosting, reproducing, digitally transmitting, modifying and making available to the public the work for which YRF has copyright, without a licence or authorization. The Delhi High Court has, in its order dated February 02, 2023, noted that the matter can be settled between the parties and may be referred to mediation, and has asked the counsels for both parties to seek further instruction in this regard.

You may access the Delhi High Court's orders <u>here</u> and <u>here</u>.

MIB approves 'Print and Digital Media Association' as a self-regulatory body for publishers of news and current affairs

Through an official order, the Ministry of Information and Broadcasting ("**MIB**") announced that the Print and Digital Media Association ("**PADMA**"), has been registered as a self-regulatory body for the publishers of news and current affairs across the country, with forty seven digital news publishers as its members. PADMA will look into grievances related to digital media news content on the member platforms and will be headed by a former High Court judge, Justice Mool Chand Garg, and also have part-time members from Prasar Bharati.

The MIB has approved multiple self-regulatory bodies since May 2021, under Rule 12 of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Rules 2021**"). The present order states that PADMA would perform functions laid down in the subrules of Rule 12 of the IT Rules, 2021, for the purpose of redressing grievances related to the Code of Ethics.

You may access the MIB order <u>here</u>.

You may read more about this development as reported by the Indian Express <u>here</u>.



^{3.} Section 42, Rights of Persons with Disabilities Act, 2016.

Bombay High Court restrains hotels, pubs, restaurants, etc. from playing sound recordings licensed to PPL

The Bombay HC, in a clutch of orders, recently passed interim injunctions against multiple restaurants, pubs and hotels, restraining them from playing the sound recordings of various songs assigned to the plaintiff, Phonographic Performance Ltd. ("**PPL**"), a performance rights organization engaged in granting licenses for the communication of songs to the public.

In the petitions, PPL contented that it was the licensee of various sound recordings for non-physical use, which includes all forms of exploitation of copyrights such as public performance in hotels, restaurants, radio and TV broadcasting and was therefore exclusively authorised to grant license for use of such recordings. Further, PPL argued that the defendants, whenever they require to use said recordings, should seek prior permission and can perform the same on issuance of a license in their favour.

The defendant hotels and restaurants opposed the plea and argued that an earlier interim order of the Bombay High Court in a similar case gave liberty to the court to vacate or vary the injunction after considering an appropriate application. However, the Bombay High Court held that the balance of convenience lay in favour of PPL, and that PPL was likely to suffer grave and irreparable loss should such use of the songs continue unabated. The next date for all four hearings was set for February 10, 2023.

As on date, in light of the interim relief provided by the Bombay High Court to the defendant hotels and restaurants, songs assigned to PPL cannot be played by such hotels and restaurants.

You may access the Bombay High Court orders <u>here</u>, <u>here</u>, <u>here</u> and <u>here</u>.

Films that found themselves in controversy

Kantara

In the copyright issue involving the song 'Varaharoopam' in the film 'Kantara', the Palakkad District Court dismissed the plaint filed by Mathrubhumi Printing and Publishing Company Ltd ("**MPPCL**"), the entity that claimed to be the copyright holder of the Song. The plaint was against Kantara's producer, Hombale Films ("**Producers**").⁴

Earlier, the district courts of Kozhikode and Palakkad were hearing copyright infringement suits against the use of the Varaharoopam in Kanthara, filed by Thaikkudam Bridge and MPPCL, respectively. The petitions claimed that Varaharoopam was allegedly plagiarised from the song 'Navarasam', the copyright of which is owned by MPPCL, and which was originally performed by Thaikuddam Bridge. The Palakkad District Court and the Kozhikode Principal District Court passed temporary injunction orders to restrain the makers of Kanthara from using Varaharoopam in Kanthara. These orders were subsequently challenged by the Producers in the Kerala High Court. The Kerala High Court held that the Producers had bye-passed the procedure laid down in the Code of Civil Procedure, 1908, and dismissed the petition.

The plaint in the Palakkad District Court was subsequently dismissed, citing the lack of jurisdiction. The Palakkad District Court ruled that the complaint should be filed at the Kozhikode District Court because MPPCL's registered office was in Kozhikode. With this, both the interim orders of injunction passed against the use of Varaharoopam in Kanthara lost effect.

You may access the update as reported by the Hindu Business Line <u>here</u>.

Yugi

In a copyright infringement suit against the makers of the Tamil film "Yugi", V. Prabhakar, a director, and writer, approached the Madras High Court claiming the adaptation rights of the Malayalam movie "Desharadham", and seeking an *urgent* interim injunction against the release of Yugi (an adaptation of Desharadham), which was scheduled for theatrical release, besides a release on over-the-top ("**OTT**") platforms. The plaintiff contended that he had acquired the story rights in the Desharadham by way of a Letter of Assignment, in 1990.

The Madras High Court observed that seeking rapid action from the court on grounds of urgency requires meeting a very high threshold and dismissed the plea on the grounds that the urgency in the matter was due to the plaintiff's own doing. The court emphasized that the plaint was silent about when the plaintiff learned about the defendant's activity and that the averments regarding copyright infringement in the plaint were ambiguous. Therefore, the court did not grant any urgent interim remedy. The Madras High Court referred the parties to the suit for pre-institution mediation, under Section 12A of the Commercial Courts Act, 2015.

You may access the Madras High Court order as reported by India Kanoon <u>here</u>.

The 1982 film 'Disco Dancer'

A petition was filed in the Bombay High Court by Shemaroo Entertainment Limited ("**Shemaroo**") against Saregama India Limited and Others ("**Saregama**") alleging copyright

Hombale Films LLP v. The Mathrubhumi Printing and Publishing Co. Ltd. & Ors., Unnumbered O.P(Civil), Filing No. 2193/2022.

infringement of the much-celebrated film "Disco Dancer". The Bombay High Court granted an ad-interim relief restraining Saregama from infringing Shemaroo's copyright in Disco Dancer.⁵

Shemaroo had approached the Bombay High Court after it came across a preview of the stage play "Disco Dancer - The Musical" ("**Play**") on a post published on Instagram and had contended that they had acquired rights to Disco Dancer through an agreement, which included all the intellectual property rights and the theatrical rights ("**Agreement**").

Saregama contended that the said Agreement and the rights in Disco Dancer were in favour of their predecessor, i.e., Gramophone Company of India Limited, and thereafter in their favour since the year 1982, which was later extended by a revision agreement in 2010.

The Bombay High Court held that *prima facie*, all rights pertaining to Disco Dancer stood assigned to the plaintiff in terms of the said Agreement. However, acknowledging that Saregama had incurred production costs and invested time and effort in the Play, the court carved an exception for the Play to be held in London for four days from the ambit of the ad-interim relief granted to Shemaroo. The suit however, was settled by the Saregama and Shemaroo, as noted in the subsequent order of the Bombay High Court dated January 09, 2023. The next date of hearing has been listed as January 09, 2023.

You may access the Bombay High Court orders <u>here</u> and <u>here</u>.

Courts restrain rogue websites from copyright infringement

Bhuj: The Pride of India

In a copyright infringement suit filed by Star India Pvt. Ltd. and Novi Digital Entertainment Pvt. Ltd., the Delhi High Court permanently restrained over seven hundred websites from unlawfully streaming the Ajay Devgn starrer 'Bhuj: The Pride of India' ("**Bhuj**") and has confirmed its earlier order that blocked forty two of such "rogue" websites.⁶

In August 2021, the Delhi High Court had passed an interim injunction blocking and restraining forty two websites that violated the plaintiffs' copyright and broadcast reproduction rights, from broadcasting Bhuj. However, it was subsequently found there were six hundred and eighty nine additional websites that were illegally streaming the Bhuj, as a consequence of which, the plaintiffs approached the Delhi High Court with the present suit.

The Delhi High Court disposed the case while observing that none of the defendants (i.e., the domain name holders) have appeared before the Delhi High Court even after being served with the notice and being aware of the orders passed by the court. Therefore, owing to the undisputed rights of the plaintiffs in Bhuj, the court granted a permanent injunction against all the rogue websites listed in the plaint. The court also ordered the Domain Name Registrars to ensure that the impugned domain names are suspended and blocked; and that the status quo is maintained in respect of the same.

You may access the Delhi High Court order here.

FIFA World Cup 2022

In a suit filed by Viacom18 Media Pvt. Ltd., the Madras High Court granted an interim injunction restraining more than twelve thousand websites from showcasing or broadcasting the FIFA World Cup 2022 ("**FIFA WC**").⁷ The plaintiff contended that it had acquired all the necessary broadcasting rights to broadcast the FIFA WC in the territories of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Additionally, it contended that it was also in possession of the letter issued by FIFA in this regard that confirmed their rights, including television rights, broadband transmission rights, mobile transmission rights, and non-exclusive radio rights.

The plaintiff further provided a list of twelve thousand and thirty seven websites that were infringing upon its exclusive copyright in the event, stating that there was no possibility of merely blocking the contentious aspects of the websites, therefore blocking the entire websites was warranted.

The Madras High Court observed that if no interim injunction were granted, it would lead to an irreversible situation and irreparable injury would be caused to the plaintiff. Therefore, the court restrained the respondent Internet Service Providers ("**ISPs**") and any other person or entity from infringing the plaintiff's copyright over the FIFA WC, and from preventing the unlawful copying, transmission, communication, displaying, etc. of the same. The court also gave liberty to the respondent ISPs to block the infringing websites, as listed by the plaintiff.

You may access the Madras High Court order <u>here</u>.

in

^{5.} Shemaroo Entertainment Limited v. Saregama India Limited and others, Commercial IP Suit (L) No. 35156/2022.

^{6.} Star India Pvt Ltd & Anr. v. Moviesghar.Art & Ors., Civil Suit (COMM) No. 364/2021, Interim Application No. 9865/2021.

^{7.} Viacom 18 Media Private Limited v. Bharat Sanchar Nigam Limited, Civil Suit (COMM Division) No. 227/2022

PARLIAMENT CAPSULE

During the recently concluded Winter Session of Parliament 2022, Members of Parliament posed some pertinent questions to various ministries of the central government on online gaming and media and entertainment. We list below some of the key queries and responses.

 The MIB was asked whether the government intends to enforce compliance with Para 35(1) of the 'Policy Guidelines for Uplinking and Downlinking of Television Channels' issued by the Ministry on November 09, 2022, which states that companies can undertake public service broadcasting for thirty minutes per day on issues of national importance and social relevance.

The MIB responded by stating that Section 35 of the Policy Guidelines for Uplinking and Downlinking of Satellite Television Channels in India, 2022 provides that a company or limited liability partnership having permission under these guidelines for uplinking a channel and its downlinking in India may undertake public service broadcasting for a minimum period of thirty minutes in a day on themes of national importance and social relevance.

 MeitY asked whether the government plans to regulate online gaming and if they have devised a criterion for differentiating between games of skill versus chance.

The MoS responded that the inter-ministerial task force set up to recommend a regulatory framework has submitted its report which is under consideration. On games of skill versus chance, MeitY responded that the Public Gambling Act, 1867 ("**PGA**") mentions "games of skill" without defining it. States are responsible for regulating betting and gambling⁸ and various state laws have either adopted the PGA with suitable amendments or enacted their own law. These laws refer to the terms "games of skill" and "games of chance" which have been used in the context of gambling and therefore a subject for the states to consider.

3. Inquiry on the steps taken by the government to support the Indian gaming start-up industry.

The MoS for the Ministry of Commerce and Industry referred to the Start-up India Initiative launched in 2016 and mentioned that since 2016, the number of startups in the gaming and related sectors rose from five to thirteen hundred and thirty. The Animation, Visual Effects, Gaming and Comics ("AVGC") Promotion Task Force was set up to inter alia promote market development activities to extend the global reach of the Indian AVGC industry. The MoS also mentioned the Digital India Aatmanirbhar Bharat App Innovation Challenge which was created to identify the best Indian apps that are already being used by citizens and have the potential to scale and become world-class apps in their respective categories, included gaming as one of the categories. The government has also set up a Center for Excellence in Hyderabad to support product development and innovation in several fields including gaming.

You may access the questions and responses raised in the Lok Sabha on gaming <u>here</u>, <u>here</u>, and <u>here</u>.

You may access the question and response raised in the Rajya Sabha on media and entertainment <u>here</u>.

You may access the question and response raised in the Rajya Sabha on gaming <u>here</u>.

8. Entry 34 of Schedule VII of the Constitution.



GAMING

MeitY has proposed draft amendments to the IT Rules 2021 pertaining to online gaming

MeitY has recently proposed draft amendments to the IT Rules 2021 including provisions relating to online gaming intermediaries ("**Online Gaming Amendments**") and due diligence obligations relating to addressing fake or false information ("**Fact Checking Amendments**", collectively referred to as "**Proposed Amendments**"). The Online Gaming Amendments aim to regulate online gaming by bringing 'online gaming intermediaries' within the purview of the IT Rules 2021 and imposing obligations and compliance requirements similar to other intermediaries under the IT Rules 2021.

Notably, the Online Gaming Amendments define the term 'online game'⁹ to include a 'game' on the Internet that allows the user access through "deposit with the expectation of earning a winning". It also defines such 'deposit' and 'winning' to include deposits and winnings made in "cash and kind". Additionally, the Proposed Rules further define an 'online gaming intermediary' ("**OGI**") as an "intermediary that offers one or more than one online game "¹⁰ With regard to these definitions put forth in the Online Gaming Amendments, stakeholders have stated that these definitions require further clarity as to their scope and therefore, require revision.

The Online Gaming Amendments also impose due diligence obligations upon the OGIs, similar to significant social media intermediaries such as publishing its rules and regulations on its website, regularly informing its users of its policies, and specifically preventing users from publishing, hosting, displaying, uploading, transmitting or sharing certain harmful information, specifically including information that is in the nature of an online game in violation of Indian law, specifically gambling or betting laws.

The Online Gaming Amendments also envisage creation of Self-Regulatory Bodies ("**SRBs**"), which will approve an 'online game' and set uniform standards for the industry. MeitY may register such SRBs considering multiple factors, including number of members, SRB's track record, general repute, absence of conflict of interest, independence, and technological capacity, among others.

Some key requirements that the OGIs may need to comply with include:

- a. For games requiring random number generation, publish a random number generation certificate and a no-bot certificate from a reputed certifying body for each such online game offered by the OGI;
- b. Inform users of its platform's procedure for account registration, risk of financial loss and addiction associated

with an online game, measures for protection of user deposit, and the framework of the SRB that the OGI is a part of;

Verify user identity at the time of account registration in accordance with the procedure designated by the Reserve Bank of India ("**RBI**") in the directions for identification and verification of customer at such commencement for accountbased relationship and also allow voluntary verification of accounts by users using appropriate mechanisms, like active Indian mobile numbers of users; and

c. OGIs are also required to comply with requirements similar to significant social media intermediaries, including, maintaining a physical contact address in India and displaying the address details on the OGI website for communication purposes and appointing a grievance redressal officer, chief compliance officer, and nodal contact person.

In addition to the above, as per the Fact Checking Amendment all intermediaries under the IT Rules 2021 are required to make "*reasonable efforts*" to ensure that their users should not host, display, upload, modify, publish, transmit, store, update or share any information that is identified as fake by (i) the Press Information Bureau of the MIB; (ii) by any other agencies authorised by the central government for fact checking; or (iii) regarding "any business" of the central government, by departments of the government transacting such "business" under the rules of business made under Article 77(3) of the Constitution of India, namely, the Government of India (Allocation of Business) Rules, 1961.

In light of the Proposed Amendments, MeitY has organized several rounds of public consultations with the relevant industry stakeholders, including esports players, industry bodies, lawyers, online gaming companies and students, to discuss and collect feedback on the Online Gaming Amendments from such stakeholders. Further, MeitY has invited comments from stakeholders on the

Rule 2(1)(qb) of the Proposed Amendments defines an 'online gaming intermediary' as "an intermediary that offers one or more than one online game".



^{9.} Rule 2(1)(qa) of the Proposed Amendments defines 'online game' as "a game that is offered on the Internet and is accessible by a user through a computer resource if he makes a deposit with the expectation of earning winnings; Explanation.—For the purposes of these rules,— (i) 'Internet' means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that transmits information based on a protocol for controlling such transmission; (ii) 'deposit' means the deposit made or committed to, in cash or in kind, by the user for participating in an online game; (iii) 'winnings' means any prize, in cash or in kind, that is distributed to intended to be distributed to a user of an online game based on the performance of the user and in accordance with the rules of such online game;"

Online Gaming Amendments till January 25, 2023 and on the Fact Checking Amendments till February 20, 2023. IndusLaw has been a consistent participant in these public consultations and has submitted stakeholder comments for both the Online Gaming Amendments and the Fact Checking Amendments.

You may access the Proposed Amendments <u>here</u>.

MeitY establishes three Grievance Appellate Committees following the amendments to the IT Rules 2021

Pursuant to the amendment made in October 2022 to the IT Rules 2021 ("**2022 Amendment**"), the MeitY has notified the constitution of Grievance Appellate Committees ("**GACs**") to function as appellate bodies to orders of grievance officers of internet intermediaries.

Earlier, MeitY had taken cognizance of the fact that large numbers of grievances by users of internet platforms had not been addressed satisfactorily. To ensure that a culture of responsiveness is developed amongst intermediaries, the MeitY had proposed the creation of GACs under the 2022 Amendment. The GACs are bodies consisting of a chairperson and two members that are specifically constituted by the central government. According to the 2022 Amendment, any person aggrieved by an order of the grievance officer of an intermediary under the IT Rules 2021 could appeal to such GACs. Users will be required to file their appeals on the GAC's virtual digital platform, where the appeal process - from filing of appeal to the GACs decision, will be undertaken digitally. The 2022 Amendment also provided that the GACs will be required to address the users' appeals within a period of 30 days.

The MeitY has also announced that the virtual digital platform will be functional from March 01, 2021, considering that the intermediaries will require a transition period for accommodating the technical requirements, and that periodic reviews of GACs functioning, reporting and disclosure requirements will also be part of the new process.

You may access the notification by MeitY here.

You may also access the Press Information Bureau announcement on the constitution of the GACs <u>here</u>.

Chhattisgarh legislative assembly has passed the Chhattisgarh Gambling (Prohibition) Bill, 2022 prohibiting online gambling

On January 04, 2023, during its winter session, the legislative assembly of Chhattisgarh passed the Chhattisgarh Gambling (Prohibition) Bill, 2022 ("**Chhattisgarh Bill**") through a voice vote. The Chhattisgarh Bill only prohibits games of chance (online gambling and betting), while

games of skill (including games like rummy and fantasy sports) are exempted from its application.

This move comes in light of the Chhattisgarh government's cognizance of issues relating to online gambling and betting, especially operations run by illegal offshore betting applications. Such activities were previously also being monitored and pursued by Chhattisgarh police which were increasing in the state. Accordingly, in September 2022, the Chief Minister of Chhattisgarh had directed the Director General of the Chhattisgarh police to formulate legal guidelines for addressing online betting and gambling.

After passing of the Chhattisgarh Bill, the state has become one of the few states in India, including Telangana and Andhra Pradesh, who have imposed a ban on online gambling. The Chhattisgarh Bill shall come into force from the date of its notification in the Chhattisgarh state gazette.

You may read more about the Chhattisgarh Bill here.

The MIB has released the draft model policy for Animation, Visual Effects, Gaming and Comic– Extended Reality ("AVGC-XR")

The AVGC Promotion Task Force ("**Task Force**") set up by the MIB in April 2022 to inter alia frame a national AVGC policy, recommend a national curriculum framework in AVGC related sectors and boost employment opportunities has submitted their detailed report to the MIB. The Task Force was headed by MIB Secretary Apurva Chandra, along with various government and industry stakeholders.

Based on the recommendations of the Task Force, the MIB has released a draft model policy for the AVGC – Extended Reality ("**Draft AVGC Policy**") which aims to improve the country's capacity for AVGC – XR activities and develop opportunities in the sector. The Draft AVGC Policy, which is aimed at both at the national and state levels, provides several recommendations:

- a. Launch of a 'Create in India' campaign with special focus on domestic content creation.
- b. Institution of an international AVGC platform and gaming expo, to increase foreign investment in the Indian AVGC Industry.
- c. Establishment of a National Centre of Excellence ("COE") for the AVGC sector in India and creation of regional COEs to enable local industries to benefit from skill development, research and innovation in the sector.
- d. Utilising the National Education Policy to develop intellectual capabilities in the AVGC sector in India, launch undergraduate and post-graduate courses relating to AVGC sector in addition to standardisation of examinations for admission to such AVGC related courses.

- e. Democratization of accessibility to AVGC technologies in India by promotion of subscription based pricing models for industries like Micro, Small and Medium Enterprises and start-ups, and further enhancement of the AVGC sector in India through provision of incentives for research and development programs, extension of the Production Linked Incentive Scheme to AVGC manufacturers, provision of tax benefits, revising import duties and promoting creation of intellectual property in the AVGC sector in India.
- f. Establishment of a dedicated production fund for domestic content creation in India to promote Indian culture and heritage, increase industry outreach for tier 2 and 3 towns and villages in India and establish special incentives for women entrepreneurs in the AVGC sector and establish a framework to ensure the protection of children's rights in the digital world.
- g. Convergence of schemes issued by different departments of centre and state governments including, inter alia, the Ministry of Education, MeitY, Ministry of Skill Development and Entrepreneurship and the Ministry of Commerce and Industry.

You may access the report of the Task Force <u>here</u>.

You may access the Draft AVGC Policy <u>here</u>.

MIB asks Google to cease the display of advertisements for online betting

The MIB recently sent a letter to Google India ("**Google**"), asking the internet giant to immediately stop displaying all advertisements, direct or surrogate, of online betting platforms ("**MIB Letter**").

Earlier, in October 2022, the MIB had issued a set of advisories on advertisements of 'online betting platforms' ("MIB Advisories") to publishers of news and current affairs on digital media, publishers of online curated content and private satellite television channels, directing them against displaying advertisements of online betting platforms, and/ or their surrogate news websites. These MIB Advisories come in the backdrop of an earlier advisory in June 2022, seeking publishers to refrain from advertising online betting platforms over the internet. However, it was brought to the attention of the MIB that many such advertisements continued to be displayed on Google's search engine and on YouTube. In light of these advisories, MIB asked Google to stop displaying direct or surrogate advertisements of overseas betting companies such as Fairplay, PariMatch, Wolf777, Betway, and 1xBet in its search results and on YouTube.

Subsequently, in response to the MIB Letter, Google issued a statement claiming that in line with its advertisement policies and the applicable local laws and regulations of India, it does not allow any online gambling advertisements on its platform and takes immediate action if it is informed about violative advertisements.

You may access the update as reported by India Today and Economic Times <u>here</u> and <u>here</u>.

You may access an official copy of the MIB advisory to publishers of news and current affairs on digital media and publishers of online curated content, as well as private satellite television channels <u>here</u> and <u>here</u>.

You may access an official copy of the June 2022 MIB advisory <u>here</u>.

Telangana government wants to transfer the Telangana High Court gaming law petition before the Supreme Court

The Telangana government wants to transfer a petition from the Telangana High Court before the Supreme Court of India ("**Supreme Court**"). The matter pertains to a challenge against the amendments introduced in 2017 to the Telangana Gaming Act, 1974 that banned all online games for stakes. Gaming operators approached the Telangana High Court and challenged the legality of a blanket ban, including prohibiting real-money games of skill.

The State also requested to club its petition with the appeals filed by the Tamil Nadu and Karnataka governments before the Supreme Court. These appeals by Tamil Nadu and Karnataka are against their respective High Court orders on their State gaming law amendments. The Supreme Court heard the transfer petition and issued a notice to the respondents. A few days later, the existing petition was heard by the Telangana High Court with the State mentioning the status of the transfer petition before the Supreme Court. The Telangana High Court decided to wait for the decision of the Supreme Court before proceeding with the hearing. The transfer petition is tentatively listed for January 20, 2023, with Telangana High Court listing its petition for January 31, 2023.

You can access the official copy of the Supreme Court and Telangana High Court orders <u>here</u> and <u>here</u>.

Madhya Pradesh forms a task force to create a new online gaming law in the state

The Madhya Pradesh government is seeking to create a new law to regulate online gaming in the state. To achieve this, it has set up a committee of senior state secretaries to examine judicial precedents, and technical aspects of online gaming and make suggestions to the government. This comes in the backdrop of a bail application filed by a State resident who allegedly placed bets on Indian Premier League cricket matches. During the hearing in September 2022, the Madhya Pradesh High Court ordered the State to take concrete steps on online gaming and submit a report before it within the next three months. At the subsequent hearing on November 30, 2022, the state government informed the court that a committee is deliberating the matter of online gaming and will pass an appropriate law before the legislative assembly within the next three months. You can read more about this development as reported in the Times of India <u>here</u>.

You can access the orders of the Madhya Pradesh High Court <u>here</u> and <u>here</u>.





OUR OFFICES

BENGALURU

101, 1st Floor, "Embassy Classic"# 11 Vittal Mallya Road Bengaluru 560 001 T: +91 80 4072 6600 F: +91 80 4072 6666 E: bangalore@induslaw.com

HYDERABAD

204, Ashoka Capitol, Road No. 2 Banjarahills Hyderabad 500 034 T: +91 40 4026 4624 F: +91 40 4004 0979 E: hyderabad@induslaw.com

CHENNAI

#11, Venkatraman Street, T Nagar, Chennai - 600017 India T: +91 44 4354 6600 F: +91 44 4354 6600 E: chennai@induslaw.com

DELHI & NCR

2nd Floor, Block D The MIRA, Mathura Road, Ishwar Nagar New Delhi 110 065 T: +91 11 4782 1000 F: +91 11 4782 1097 E: delhi@induslaw.com

9th Floor, Block-B DLF Cyber Park Udyog Vihar Phase - 3 Sector - 20 Gurugram 122 008 T: +91 12 4673 1000 E: gurugram@induslaw.com

MUMBAI

1502B, 15th Floor Tower – 1C, One Indiabulls Centre Senapati Bapat Marg, Lower Parel Mumbai – 400013 T: +91 22 4920 7200 F: +91 22 4920 7299 E: mumbai@induslaw.com

#81-83, 8th Floor A Wing, Mittal Court Jamnalal Bajaj Marg Nariman Point Mumbai – 400021 T: +91 22 4007 4400 E: mumbai@induslaw.com