

(2018) 01 DEL CK 0336

Delhi High Court

Case No: Civil Suits (COMM) No. 683 Of 2016

Yonker Skates Pvt Ltd

APPELLANT

Vs

I - Bots & Anr

RESPONDENT

Date of Decision: Jan. 15, 2018**Acts Referred:**

- Information Technology (Intermediary Guidelines) Rules, 2011 - Rule 3
- Information Technology Act, 2000 - Section 2(1)(w), 79

Hon'ble Judges: Rajiv Sahai Endlaw, J**Bench:** Single Bench**Advocate:** D.K. Yadav, Abhishek Malhotra, Utkarsh**Final Decision:** Disposed Of

Judgement

Rajiv Sahai Endlaw, J

1. Vide order dated 11th December, 2017, a decree was passed in favour of plaintiff and (i) against the defendant no.1 I-BOTS, of permanent

injunction restraining infringement of trade mark and passing off and of recovery of damages and costs, and, (ii) against the defendant no.2 Flipkart

Internet Pvt. Ltd., of permanent injunction restraining the defendant no.2 from selling the skates or allowing sale on its portal of skates for the purpose

of sports with the trade mark "YONKER", and, (iii) of mandatory injunction directing the defendant no.2 to, within one month therefrom, furnish

to the plaintiff all the particulars in its power and possession of the person/s selling the skates under the name "YONKER" on its portal.

2. The defendant no.2 seeks modification of the aforesaid order pleading (a) that the defendant no.2 falls within the definition of "intermediary"

under Section 2(1)(w) of the Information Technology Act, 2000 (IT Act); (b) that Section 79 of the IT Act exempts an intermediary from any liability for any third party information, data or communication link made available or hosted by it; (c) that the limited obligation imposed on an intermediary is to exercise due diligence in terms of Rule 3 of Information Technology (Intermediary Guidelines) Rules, 2011; (d) that the defendant no.2 imposes an embargo on its users from uploading content in which they do not possess the relevant rights and at the same time gives content owners the option of notifying the defendant no.2 in the event it is found by the user that any content hosted on the website is without licence or of infringing nature; (e) that the decree for permanent injunction against the defendant no.2 has the effect of defeating the "safe harbour" provisions of Section 79 of the IT Act. Modification of the order dated 11th December, 2017 is sought to the effect that upon the plaintiff notifying the defendant no.2 of specific URL(s) where goods under the mark "YONKER" of the plaintiff are being sold / made available, the defendant no.2, within 48 hours thereof will remove the list of the goods under the mark "YONKER".

3. The counsel for the plaintiff appears on advance notice and considering the nature of the application, need to call for reply thereon is not felt and the counsels have been heard.

4. The counsel for the applicant / defendant no.2 has argued, (i) that it is not possible for the defendant no.2 to control listing on its portal of goods i.e.

skates for the purpose of sports with the trade mark "YONKER" and it should be the plaintiff who should be vigilant and if finds anyone selling

goods under the mark "YONKER" on the portal of the defendant no.2, should notify the defendant no.2 of the same and whereupon the

defendant no.2 will prohibit transactions in respect of the said goods. Reliance is placed on my judgment in Kent RO Systems Ltd. Vs. Amit Kotak

(2017) 240 DLT3 and on paras no.117 and 118 of Shreya Singhal Vs. Union of India AIR2015SC152 35. The order dated 11th December, 2017 was

made in the presence of the counsel for the applicant / defendant no.2. The only contention of the applicant / defendant no.2 on 11th December, 2017

was that the defendant no.2, as an intermediary, could not be made liable for any damages. Rather, it was stated that the applicant / defendant no.2

was willing to abide by the orders of the Court including of disclosing to the plaintiff the particulars of the persons selling the impugned goods on the

portal of the applicant / defendant no.2. Moreover, the decree as passed on 11th December, 2017 against the defendant no.2 was passed in the

presence of the counsel for the defendant no.2 and without any objection from him to the order / decree being passed. I have thus enquired from the

counsel for the applicant / defendant no.2, whether not the order dated 11th December, 2017 is in the nature of a consent order insofar as against the

applicant / defendant no.2 and what is the entitlement of the applicant / defendant no.2 to seek modification thereof.

6. The only explanation of the counsel for the applicant / defendant no.2 is that a junior colleague from his office who was not fully aware of the legal

position had appeared on 11th December, 2017.

7. The contention of the counsel for the plaintiff in Kent RO Systems Ltd. supra was that once a complaint is lodged with an intermediary (eBay India

Pvt. Ltd. in that case) with respect to the offending product of one of the sellers / retailers, the intermediary on its own, before hosting a product of

any other seller / retailer, should verify whether the same also infringes the rights of the plaintiff and that an intermediary is required to devise a

mechanism to, before hosting any product for sale on its system / website, verify whether the same infringes the intellectual property rights of any

other person.

8. The aforesaid contention was not accepted and the suit, insofar as against eBay India Pvt. Ltd., was disposed of by binding the defendant no.2

eBay India Pvt. Ltd. to its statement that it will immediately on receipt of complaint from the plaintiff, remove the offending products from its website /

portal. However as a post script to the judgment, mention was made of Sabu Mathew George Vs. Union of India (2018) 3 SCC22 9referring to the

principle / doctrine of "auto block" and directing Google India, Microsoft Corporation (I) Pvt. Ltd. and Yahoo India to constitute an "In House

Expert Body" to detect violation, on their respective platforms, of the provisions of The Pre-conception and Pre-natal Diagnostic Techniques

(Prohibition of Sex Selection) Act, 1994.

9. I have in furtherance to above enquired from the counsel for the applicant / defendant no.2 as to why it is not possible for the applicant / defendant

no.2, as an intermediary, to also introduce "auto block" on its platform so as to block uploading of skates for the purpose of sports under the name

"YONKER" or under any other name or mark deceptively similar thereto.

10. The counsel for the applicant / defendant no.2 again referred to the elaborate reasons given by me in Kent RO Systems Ltd. supra to contend that

the same is not envisaged by the IT Act and the Regulations made thereunder. It was further contended that to the same effect are paras no.117 and

118 of Shreya Singhal supra.

11. Though I have delayed the release of this order being of the opinion that if a direction as issued by the Supreme Court in the case of Sabu Mathew

George supra can be issued, so can such a direction be issued to applicant / defendant no.2 also but my further research has not disclosed any other

development in law or in technology on the said aspect till now and thus it is deemed appropriate to stand by what was held by me in Kent RO

Systems Ltd. supra.

12. Accordingly, the application is disposed of by modifying the decree dated 11th December, 2017, insofar as against applicant / defendant no.2

Flipkart Internet Pvt. Ltd., as under: "against the defendant no.2 Flipkart Internet Pvt. Ltd., of mandatory injunction directing the defendant no.2 to

from time to time, on receipt of intimation from the plaintiff, of the defendants or anyone else selling skates for the purpose of sports on the portal of

the defendant no.2 with the trade mark "YONKER", in accordance with law, stop such sales and of mandatory injunction directing the defendant

no.2 to, within one month of today, furnish to the plaintiff all the particulars in its power and possession of the person/s selling the skates for the

purpose of sports under the name "YONKER" on its portal" 13. The application is disposed of.