**UTV Software Communications Ltd. v. 1337X.TO**

Date of Judgment: 10 April, 2019

Case Number: CS(COMM) 724/2017

Judicial Body: Appellate Court

Type of Law: Civil Law

Themes: Copyright Infringement on the internet and Liability of Infringing Websites

Tags: copyright infringement, rogue website, intermediary liability, cinematograph films, dynamic injunction

1. **Summary and Outcome**

The Delhi High Court in an ex-parte decisionhas issued the first dynamic injunction in India where the injunction holder can use the court order to block content infringing websites instead of filing separate suits in each instance of infringement. The relief comes in a suit where injunction was sought against certain ‘rogue websites’ which communicated to the public pirated versions of cinematograph films. The Court held the defendant websites guilty of hosting copyright infringing content and that the websites could neither avail any exemption under the Indian Copyright Act, 1957 nor under the safe harbour principle applicable to intermediary under the Information Technology Act, 2000[[1]](#footnote-1). The Court also directed the Ministry of Electronics and Information Technology (“**MeITY**”) and the Department of Telecommunications (**“DoT”**) to explore the possibility of framing a technologically feasible policy under which a warning may be issued to content infringing viewers.

1. **Facts**

The Court was considering a batch of 8 suits filed by companies engaged in the business of creating content, producing and distributing cinematographic films around the world including India (“**Plaintiffs**”). The Plaintiffs sought injunction restraining the Defendants from infringing the Plaintiff’s copyrighted works in cinematograph films by communicating it to the public without any authorization. The defendants to the suits included certain identified websites, John Doe defendants (**“Defendant Websites**”) along with MeITY, DoT and multiple internet service providers (“**ISP**”) which were arrayed as non-contesting parties, against whom no relief was claimed.

The Plaintiffs produced sample of infringing content to support their one-point case that the infringing websites were primarily engaged in hosting pirated content and allowed streaming and downloading of Plaintiffs’ copyrighted works without any authorisation. The Hon’ble Court disposed of the matter *ex-parte* as the contesting defendants failed to appear on being summoned. As the matter involved questions of law of general public importance, the Court appointed an Amicus Curiae to assist the court with its determination on the questions of law.

1. **Decision Overview**

Manmohan, J of the Delhi High Court delivered the judgment. The central issue for the Court’s determination was to establish an effective solution to combat with rogue or hydra headed websites which multiply and resurface as redirect or mirror websites on being blocked.

The Plaintiffs argued that the Defendant Websites’ business models sustained on the revenue earned by allowing the unauthorised streaming and downloading of the copyright infringing content as well as from the advertisements which were displayed on their websites. (para. 7) These websites functioned under a garb of privacy and their indexes of hyperlinks redirected the end-user to host area in order to facilitate streaming or downloading of copyrighted content. The primary contention before the Court was that the Defendant Websites mirrored and multiplied on being blocked at one particular URL. (para.10) It was the Plaintiff’s case that the Defendants’ substantial purpose was to infringe or facilitate infringement of copyright. The Plaintiff relied upon laws across multiple jurisdictions where courts in such circumstances have passed injunction orders blocking the primary website. (para. 11) In view of the international jurisprudence and the increasing need in a technology-driven era, the Plaintiff sought an effective remedy in the form an injunction by way of the present Suit.

The Amicus Curiae appointed by the Court submitted that the foremost issue requiring the Court’s consideration was whether the Defendant Websites could be categorised as ‘flagrantly infringing online locations.’ In a case where site wide ban is sought to be imposed, the burden of proof is on the Plaintiff to adduce evidence in support of the fact that the website complained of was sharing infringing or pirated content. Caution is required more specifically in cases where websites hosted both infringing and legitimate content of third parties. To buttress the submissions, the Amicus relied on the three-step verification test evolved by the Bombay High Court in *Eros International Media v. BSNL* Suit No. 751 of 2016, which has been enumerated in the later part of this analysis. Further, courts while granting blocking orders should be guided by principles of proportionality so that interference with rights to access the internet is justified. (para. 21) Lastly, the Amicus submitted that blocking by domain names would make the injunctions pointless as there was a high likelihood of the infringers operating from different domain names. It was the Amicus’ submissions that the Court could exercise powers of inherent jurisdiction under Section 151 of the Code of civil Procedure to issue dynamic injunctions against re-directed or mirror websites. (para. 22)

The Defendant Websites failed to appear and rebut any of the factual assertions made by the Plaintiff. No arguments were advanced by the ISPs, DoT nor MeITY who in fact unanimously stated that they would be bound by the order of the Hon’ble Court.

The Court first delved into the issue of copyright infringement by the Defendant Websites. The scope of the terms ‘communication to public’ and ‘broadcast’[[2]](#footnote-2) under the Indian Copyright Act, has been widened to include digital copies of the works made available online. Under Section 51(a)(i) of the Copyright Act, copyright infringement occurs when any person without the authorisation of the copyright owner exercises any right which is in the owner’s exclusive domain. It was an established case that the Defendant Websites were hosting copyright infringing content. Even though the Copyright Act provides for certain exemptions from liability to ISPs under Section 52(1)(c), in the present case, none was applicable as the Defendant Websites failed to appear and establish a case under such exemptions. (para. 41) Furthermore, the Court also held that the safe harbour exemption for intermediaries under Section 79 of the Information Technology Act, 2000 was not applicable in the present case. This is because the Defendant Websites were not intermediaries in view of the fact that they directly uploaded content. (para. 48)

Although the present matter required no further adjudication of facts and in view of the deemed admission by the Defendant, the case could have been disposed of. However, in consideration of the facts, documents on record and the laws prevailing in different jurisdictions,[[3]](#footnote-3) the Court outlined several issues which required determination.

First, the Court held that no logical distinction could be drawn between the infringers of the content on the internet and that of infringers in the physical world. (para. 53, 54). In doing so, the Court rejected the views of ‘internet exceptionalism’ i.e. ideologies which believes that the internet space should be left completely unrestricted was unacceptable. Even though the infringement benefitted the consumers by providing them access to free content, the benefit from such infringing acts directly accrued to the pirated websites which thrived and capitalised on advertisements that surfaced on such their websites, without having any motive of providing free content for social good. (para.51)

Next, the Court considered whether blocking of a website dedicated to piracy was in opposition to a free and open internet. The Court held that just as constitutional freedoms are regulated under reasonable restrictions, appropriate lines may be drawn to restrict access to infringing websites by creating a fine balance between freedoms and rights of all stakeholders. (para. 56)

Next, the Court elaborated the concept of ‘rogue website’, which is one of the key issues under analysis. Rogue websites are those which primarily or predominantly share infringing content. The Court noted that music and film piracy are primarily facilitated on the internet by rogue websites or Flagrantly Infringing Online Locations (FIOL)[[4]](#footnote-4), in a twofold manner: (a) direct hosting and streaming of infringing content, or (b) providing a searchable database with links to third-party FIOLs. For ascertaining a rogue website, the Court enlisted certain factors which include *inter alia*, whether the website primarily aims at copyright infringement, masks details of the registrant, takes appropriate action after receiving takedown notice with regard to copyright infringing content, there is significant volume of traffic received by the website, and posts guidelines on the website, if any, to circumvent measures that disable access to the website on the grounds of related copyright infringement, etc. (para. 58)

The Court then delineated the test for determining a rogue website. Two contrasting tests that are globally recognised in the determination of a ‘rogue website’ are juxtaposed. The global practice is to favour a qualitative test which focuses on examining whether the primary purpose and effect of the website is to facilitate infringement, over a quantitative test. (para. 61) The Court, in adopting a test befitting to the Indian context, has analysed two opposing views which have been adopted by the Indian courts on earlier occasions. The Bombay High Court in *Eros International Media Ltd. & Anr. v. Bharat Sanchar Nigam Ltd*. & *Ors.* Suit No. 751 of 2016, had held that blocking injunctions against entire websites could be passed only on the furnishing of proof by the Plaintiff demonstrating that the entire website contained only illicit content. The Bombay High Court formulated a three-pronged verification test i.e., verification and assessment by external agency, verification by deponent of the affidavit with the Plaintiff’s counsels, and affidavit on oath, which was to be followed by a court in matters where blocking orders were sought. (para. 62) Contrary to this, the decision of the division bench of the Delhi High Court in *Department of Electronics and Information Technology v. Star India Pvt. Ltd.* 2016 SCC OnLine Del 4160*,* which has been ultimately relied upon in the present decision, adopted a more practicable, qualitative approach in determining a rogue website as one which is overwhelmingly infringing. [[5]](#footnote-5)The Court held that the quantitative test in adopting a three-step verification standard is overtly onerous and burdensome on the copyright owners, primarily in cases where websites change the URLs on being blocked. In such a situation it would be a herculean and almost impossible task for the copyright owner in identifying each offending and infringing URL. (para. 65, 66, 68).

Accordingly, the Court concluded that the Defendant Websites were rogue websites. In arriving at this conclusion, the Court relied on the fact that the Defendant Websites had index and databases of films which were categorised by quality, viewership, rating etc., such websites had measures in place to circumvent blocking by informing users of change in domain name, and that the details of its owner/ registrant were also masked. (para. 71)

The Court held that blocking injunction order against the entire website is permissible however, in doing so, courts must be guided by proportionality, necessity, with a focus to strike a fair balance between the competing fundamental right i.e., freedom of speech, information, right to trade on one hand and the right to protection of Intellectual Property Rights on the other hand. The onus is on the right holders to prove to the Court’s satisfaction that each website which is sought to be blocked is a ‘rogue website’, primarily engaged in facilitating the widespread copyright infringement. (para. 80)

In the last segment, the Court, in exercise of its inherent power under Section 151 of the Code of Civil Procedure, 1908 has espoused the concept of *dynamic injunction* whereby the blocking injunction is extended to apply on mirror/ redirect/ alphanumeric websites, which was originally not under the ambit of the relief sought by the Plaintiff. (para. 99) Drawing its inspiration from the Singapore High Court’s decision in *Disney Enterprise v. MI Ltd*. (2018) SGHC 206 and international developments on the subject matter, the Court adopted the relief of dynamic injunction which essentially aims to block new means of accessing the same infringing website.[[6]](#footnote-6) (para. 98) A plaintiff can avail the blocking injunction against a new website by filing an additional affidavit, giving the court an explanation as to howa new website is within the purview of an existing blocking order. Further, to reduce the burden of the Court, the High Court has delegated the power to extend blocking injunction orders to new websites to the Joint-Registrar of the Delhi High Court.

The Court granted a permanent injunction in favour of the Plaintiff, along with awarding the cost of the litigation. The Court acknowledged that majority of the viewers accessing the infringing content were youngsters, unaware of the consequences and impact of their act. The Court, therefore, recommended that DoT and MeITY should frame a policy to issue warnings to the consumers watching infringing content. In the event that viewers continue to watch the infringing content, then fines may be levied against such viewers.

**Decision Direction**

**Mixed Outcome**

The Court has rightfully balanced the competing rights of freedom of speech and expression and that of copyright owners in the context of online privacy. While the right of the individual to information online is curtailed by this judgment, the Court has considered the necessity, proportionality and reasonableness of such measures and elaborately outlined the factors to classify a website as a rogue website. Despite the lack of specific statutory provision, in view of the need to curb mischief perpetrated by mirror websites, the Court has exercised its inherent powers to issue dynamic injunctions against hydra-headed/ rogue websites.

1. **Global Perspective**

**National standards, law or jurisprudence**

* India, Singhal v. Union of India, [2015] Pet. No. 167 of 2012
* India, Myspace Inc. v. Super Cassettes Industries Ltd., 2016 SCC Online Del 6382
* India, in Eros International Media v. BSNL Suit No. 751 of 2016
* Department of Electronics and Information Technology v. Star India Pvt. Ltd. 2016 SCC OnLine Del 4160
* India, Tharoor v. Arnab Goswami and Anr: 2017 SCC OnLine Del 12049

**Other National Standards, Law or Jurisprudence**

* EWHC, Cartier International AG v. British Sky Broadcasting Limited, [2014] 3354 (Ch)
* Sing., Disney Enterprise v. Ml Ltd., (2018) SGHC 206
* Eng., 20th Century Fox v. British Telecommunications PLC, (2012) 1 All ER 869
* ECJ, Case C-314/12, UPC Telekabel v. Constantin Film Verleih (2014)
* Cory, Nigel, How Website Blocking Is Curbing Digital Piracy Without Breaking the Internet, Information Technology and Innovation Foundation, <http://www2.itif.org/2016-website-blocking.pdf>, Aug. 2016
* Danaher, Brett and Smith, Michael D. and Telang, Rahul, The Effect of Piracy Website Blocking on Consumer Behaviour, [https://ssrn.com/abstract=2612063m](https://ssrn.com/abstract%3D2612063m), Nov. 2016
1. **Case Significance**

**The decision establishes a binding or persuasive precedent within its jurisdiction.**

The decision, arising out of the single judge bench of the Delhi High Court, establishes a binding precedent for all lower courts throughout the National Capital Territory of Delhi. It has a persuasive precedent for all other courts.

1. **Links to Blog Posts**
* <https://spicyip.com/2019/04/breaking-delhi-high-court-issues-indias-first-dynamic-website-blocking-injunction-for-copyright-infringement.html>
* <https://itif.org/publications/2019/05/29/india-and-website-blocking-courts-allow-dynamic-injunctions-fight-digital>
* <http://www.nishithdesai.com/information/news-storage/news-details/article/rogue-or-not-delhi-high-court-grants-its-first-dynamic-injunction-to-curb-online-piracy.html>
1. Section 79 of the Information Technology Act, 2000 provides for intermediary liability and safe harbour exemptions to intermediaries. [↑](#footnote-ref-1)
2. The terms ‘Communication to Public’ and ‘Broadcast’ are defined under Section 2 (ff) and 2(dd) of the Copyright Act, 1957, respectively. [↑](#footnote-ref-2)
3. The Court has made a detailed analysis of the legal as well as statutory position on the issue of website blocking and acts restraining content infringing/ pirated websites, in about 45 key jurisdictions including the European Union, France, Germany, United Kingdom, Singapore, Australia, Malaysia, South Korea, etc. [↑](#footnote-ref-3)
4. The concept of ‘flagrantly infringing online location’ has been adopted from Section 193DDA of the Singapore Copyright Act which gives the High Court the power to disable access to FIOL after due satisfaction of conditions as enumerated under the said section. [↑](#footnote-ref-4)
5. It is also worth considering here that a decision of the Division Bench of the same High Court was binding on the Single Judge, whereas the Bombay High Court decision only had persuasive effect. [↑](#footnote-ref-5)
6. Dynamic Injunction was issued by the Singapore High Court under Section 193 DDA of the Singapore Copyright Act. [↑](#footnote-ref-6)