

Winzo vs. Google: Warning Against the Download of an App is not Disparagement

Written by Manisha Singh, Partner &
Swadheena Joarder, Associate at LexOrbis, India

www.lexorbis.com

Disparagement of trademarks refers to the act of making negative or derogatory statements about a particular trademark, brand, or product in a way that could damage its reputation or value. This can be done through various means, such as negative reviews, false or misleading statements, or public criticism. This can include using the trademark in a way that suggests inferior quality, making false statements about the product or brand, or associating the trademark with negative or undesirable traits. Disparagement of trademarks can have serious consequences for the owner of the trademark, as it can harm the brand's reputation and value, reduce customer trust and loyalty, and ultimately lead to a loss of sales and revenue. In some cases, it can even lead to legal action if the disparagement is considered trademark infringement, defamation, or unfair competition. Trademark owners have the right to protect their trademarks from disparagement and can take legal action against those who engage in disparaging behaviour. Courts often address such issues, and the case of *Winzo v/s Google*, CS(COMM) 176/2022, pending before the Delhi High Court, is the most recent one in the disparagement row. The court has dismissed the application for the interim injunction filed by the plaintiff in this case.

As far as the factual matrix of this goes, the plaintiff is a digital gaming and technology company that operates an online digital gaming platform/application under the marks 'WinZO/ 'WinZO Games'. The app under the marks 'WinZO/ 'WinZO Games' of the plaintiff was introduced in February 2017. It offers its users over seventy games in five formats in over twelve regional languages. The plaintiff has registrations for the marks 'WinZO' and 'WinZO Games' under Classes 38, 41 and 42. The mobile app of the plaintiff was available on the Google Play store until the plaintiff converted it to a paid gaming platform. Thereafter, the plaintiff had to remove its application from Google Playstore. It now owns and operates the website 'www.winzogames.com/' through which consumers can download its gaming application. The said website can be accessed by searching for the keywords 'WinZO Games' on any search engine. In November 2021, the plaintiff came to know 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?"



Manisha Singh
Partner
LexOrbis



Swadheena Joarder
Associate
LexOrbis

"Trademark owners have the right to protect their trademarks from disparagement"





Hence, the plaintiff filed a suit seeking a permanent injunction and other ancillary reliefs. The plaintiff alleged that the warning was devoid of any legal justification and went beyond the Information Technology mandate (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021 (IT Rules 2021). It also amounted to infringement of the plaintiff's trademarks and disparaged the plaintiff's digital gaming services under the marks 'WinZO/ 'WinZO Games'. Also, the plaintiff alleged that the defendants were inducing a breach of contract between the plaintiff and its users by displaying the aforesaid warning.

In response, the defendants submitted that the warning was being used on a non-discriminatory basis in respect of all third-party apps, which can be downloaded from the internet. Displaying such a warning is an industry practice, and the purpose is to protect consumers from any possible malware. The defendant contended that there was no disparagement as there is no comparison of the plaintiff's app with any of the defendants' products or services. Plus, the defendants did not use the trademarks in question for the trade of any goods or services. Therefore, there could not be any tort of inducement of breach of contract as such because there was no contract in place between the plaintiff and its users till the time the application was installed by a user.

After analysing the facts, the court observed that such warnings are not unique to the Google Chrome browser of defendant no.1. Many other browsers also display such warnings. Therefore this, prima facie, appears to be an industry practice. On the allegation of infringement, the court held that:

“the court observed that such warnings are not unique to the Google Chrome browser of defendant no.1. Many other browsers also display such warnings.”

“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 trademark' in terms of Section 29(1) of the Trademarks Act, 1999. Further, a perusal of Section 29(6) of the Trademarks 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.”

Notably, Section 29(6) explains what the use of the registered mark would constitute under Section 29. It says that under this section, a person uses a registered mark if, in particular, he - (a) affixes it to any 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 trademark, or offers or supplies services under the registered trademark; (c) imports or exports goods under the mark; or (d) uses the registered trademark on business papers or in advertising. This list does not include the use of a trademark in a warning or disclaimer.

On Section 29(4), the court concluded as follows: *“Since 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 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 Trademarks Act, 1999.”*

“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.”

On the breach of the contract-related allegation, the court held 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. 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.

The court further referred 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’], which are produced below; and held that the defendants are under an obligation to take reasonable security measures. In a way, the court indicated that displaying such warnings is an act of discharging the due diligence burden of intermediaries, as required under the law; hence, it is not questionable.

“This type of file may harm your device”, gives the impression that the app is harmful to the user’s device and can expose it to malware”

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;

The case provided an opportunity for a more liberal interpretation of the concept of disparagement and widened its ambit. However, from the above, it can be concluded that the court analysed the facts of this case considering the existing statutory language, its literal meaning, and the established principles of law around disparagement. Disparagement can occur in the context of using trademarks in disclaimers and warnings. It can happen when a party uses the trademark of another party to make false or misleading statements about the quality, safety, or efficacy of a product or service. Such use can damage the reputation of the trademark owner and cause harm to their business. It is important to widen the ambit of this concept beyond comparative advertising because it is a broader concept that encompasses a variety of other situations and contexts.

The language used in the warning, **“This type of file may harm your device”**, gives the impression that the app is harmful to the user’s device and can expose it to malware. The language of such

GAME OVER

“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;

(k) the intermediary shall not knowingly deploy or install or modify the technical configuration of the computer resource or become party to any act

disclaimers and warnings can be changed to the effect that the browser entity cannot guarantee your device’s safety if the app is downloaded. This would mean that the intermediary is following a hands-off approach rather than giving a misleading impression that the app is harmful. Overall, it is important to ensure that any warnings related to trademarks are accurate, truthful, and do not harm the reputation of the trademark owner. By doing so, individuals and businesses can better understand the potential harm that disparagement can cause and take steps to avoid making statements that could be seen as disparaging, whether in advertising or other forms of communication.