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### **Karnataka High Court upheld the constitutionality of Sahyog Portal**

In a landmark ruling, on September 24, 2025, the Karnataka High Court upheld the constitutionality of the Sahyog Portal (“**Portal**”), dismissing a challenge by X-Corp (formerly Twitter) which sought to declare the Portal and related takedown notice mechanisms under Section 79(3)(b) of the Information Technology Act, 2000 (“**IT Act, 2000**”) and Rule 3(1)(d) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“**IT Rules, 2021**”) as *ultra vires* and unconstitutional<sup>1</sup>. The Court clarified that the Portal is not an instrument of censorship, but an instrument of public good, a facilitation platform designed to streamline communication between authorised agencies and intermediaries, aiming to address operational inefficiencies, redundant notices, and improve traceability in content removal processes.

The judgment emphasised that the power to issue binding blocking directions remains exclusively under Section 69A of IT Act, 2000 and the Information Technology (Procedure and Safeguards for Blocking for access of Information by Public) Rules, 2009, and that Rule 3(1)(d) of IT Rules, 2021 operates as a due diligence requirement within the *safe harbour* provided by Section 79 of IT Act, 2000, not as an unbridled censorship tool. The High Court also rejected claims by X-Corp regarding violation of free speech, noting that Article 19 of the Constitution of India is citizen-centric and foreign entities like X-Corp cannot invoke its protective ambit. The Court remarked that, “*Unregulated speech under the guise of liberty becomes a license to lawlessness. Regulated speech, by contrast, preserves both liberty and order, the twin pillars upon which democracy must stand. No social media platform in the modern-day agora may even seem exempt from the rigour of the discipline of the laws of the land.*” Observing that liberty must be balanced with responsibility, the Court held that digital intermediaries operating in India are bound by the nation’s regulatory framework and that the Portal ensures lawful cooperation needed to safeguard public order and dignity. With 38 intermediaries already onboarded, the Court highlighted the Portal’s collaborative intent and dismissed the challenge, affirming Portal’s legitimacy as an instrument aiding statutory purpose, not as a constitutional anathema.

### **Delhi High Court hears ANI v. OpenAI Copyright Case**

The ongoing copyright dispute between ANI Media Pvt. Ltd. (“**ANI**”) and OpenAI<sup>2</sup> in the Delhi High Court has emerged as a pivotal case in India’s digital legal landscape. The Court has so far prioritised an exhaustive, consultative process, hearing arguments from all parties and relevant intervenors, including representatives from media industry groups and technology advocates. At the core of the litigation is ANI’s allegation that OpenAI used its proprietary news content to train generative AI models like ChatGPT without authorisation, thus infringing on exclusive copyright rights under the Indian Copyright Act, 1957.

OpenAI, in its defence, has invoked the “blocklist” feature and asserted that it no longer scrapes ANI’s website, while also contesting the Court’s territorial jurisdiction given that their operations and data storage occur exclusively outside India. The bench, led by Justice Amit Bansal, has underscored the complex intersection of copyright, technology, and public interest, particularly the prospect that excessively broad copyright enforcement could stifle innovation and undermine India’s ambitions to develop robust vernacular AI models. The case represents India’s first major judicial test of copyright law in the context of generative AI. Its outcome will have far-reaching implications for the future of AI development, data usage, and the

<sup>1</sup> *X-Corp v. Union of India*, Writ Petition No. 7405 of 2025

<sup>2</sup> *Ani Media Pvt. Ltd. v. Open AI Opco LLC*, CS(COMM) 1028/2024



balance between innovation and intellectual property rights. The matter is still pending before the Delhi High Court.

The case is scheduled to be heard on October 17, 2025.

### **Meta Wins Copyright Infringement Suit Against Training Llama AI**

The landmark ruling of *Kadrey v. Meta Platforms, Inc.*<sup>3</sup>, before the United States District Court for the Northern District of California, addressed whether training generative AI models using copyright-protected materials without permission constitutes copyright infringement. Judge Vince Chhabria denied the plaintiffs' motion for partial summary judgment and granted Meta's cross-motion, holding that while it is generally illegal to copy protected works for AI training without a license, the fair use defence remains fact-dependent and requires evidence of market harm. The Court emphasised that, in most instances, fair use does not apply where copying threatens to diminish the ability of copyright holders to profit from their work, and that AI outputs capable of flooding the market with competing works could undermine the incentive for human creativity.

Despite recognising that Meta's use of the authors copyrighted books was highly transformative and commercially motivated, the Court found that the plaintiffs failed to present sufficient evidence demonstrating market dilution or harm to book sales attributable to Meta's actions. Instead, Meta's evidence indicated no discernible effect on the sales of the plaintiffs' works from Llama model releases. The Court concluded that "it is generally illegal to copy protected works without permission," but in this case, the plaintiffs failed to present a compelling argument that Meta's use of books to train Llama caused "market harm."

### **US Supreme Court Upholds Texas Law Mandating Age Verification for Adult Websites**

On June 27, 2025, the U.S. Supreme Court in *Free Speech Coalition, Inc., et al. v. Paxton, Attorney General of Texas*<sup>4</sup> upheld the Texas Age Verification Act - H. B. 1181, which mandates that adult websites require users to verify their age through government-issued identification before accessing sexually explicit content. The law, challenged by adult entertainment industry groups and digital rights advocates, was argued to violate the First Amendment of the Constitution of the United States by imposing burdensome restrictions on lawful speech and infringing on user privacy. Petitioners contended that mandatory disclosure of sensitive identification data deters adults from exercising their constitutional right to access protected content.

The Court, however, emphasised the State's compelling interest in protecting minors from online exposure to sexually explicit material. In a 6–3 decision, it held that the law does not amount to a blanket restriction on adult speech but instead regulates access through a narrowly tailored mechanism reasonably designed to achieve the State's legitimate objective. The majority opinion stressed that digital platforms hosting explicit content bear heightened responsibilities when operating in a medium accessible to minors, and that the law balances constitutional freedoms with child protection imperatives.

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<sup>3</sup> *Kadrey v. Meta Platforms, Inc.*, No. 3:2023cv03417 - Document 598 (N.D. Cal. 2025)

<sup>4</sup> *Free Speech Coalition, Inc., et al. v. Paxton, Attorney General of Texas*, 95 F.4th 263



In dissent, three Justices warned that the law creates a *chilling effect* on adult expression and sets a dangerous precedent for government intrusion into digital privacy. The ruling cements Texas's statute as a model likely to influence similar legislative efforts across other U.S. states and raises significant questions on the future balance between online safety, adult freedoms, and the scope of constitutional protection in the digital age.

### US Court Rejects Fair Use Defence for AI Training on Copyrighted Material

On February 11, 2025, the United States District Court for the District of Delaware delivered a significant ruling in *Thomson Reuters Enterprise Centre GmbH v. Ross Intelligence Inc.*<sup>5</sup> The dispute centred on whether Ross Intelligence Inc. (“Ross”) infringed Thomson Reuters's copyrights, by using Thomson Reuters's copyrighted Westlaw's headnotes and Key Number System, via third-party “Bulk Memos,” to train its AI-powered legal research tool. Revising an earlier 2023 opinion, Judge Stephanos Bibas granted partial summary judgment to Thomson Reuters on direct copyright infringement, holding that Ross had copied 2,243 headnotes, with the only remaining factual issue being whether some copyrights had expired. The Court rejected Ross's defences of innocent infringement, copyright misuse, merger, and *scènes à faire*.

On fair use, the Court ruled in favour of Thomson Reuters, finding Ross's use commercial and non-transformative, as it directly sought to build a competing research platform. While acknowledging that Westlaw's headnotes exhibit a lower degree of creativity than literary works, the Court emphasised that Ross's intermediate copying was not “reasonably necessary” in the sense recognised in software interoperability cases like *Google v. Oracle*<sup>6</sup> or *Sega v. Accolade*<sup>7</sup>. Moreover, Ross's use posed significant harm to both Westlaw's existing legal research market and its potential market for AI training data. Balancing the statutory factors, the Court concluded that Ross failed to establish fair use.

The decision marks one of the first major rulings on the intersection of copyright law and AI training in the legal sector, underscoring the risks of relying on proprietary editorial content without a license. It signals that while judicial opinions remain in the public domain, value-added editorial enhancements like Westlaw's headnotes are protected and cannot be repurposed for AI training under the fair use doctrine. The judgment offers a critical precedent for the ongoing legal battles globally, including the *ANI v. OpenAI* case in India.

### Delhi High Court Grants ‘Dynamic+’ Injunction to Protect FIFA World Cup Broadcast Rights

The Delhi High Court, in a significant order protecting broadcast rights, has granted an *ex parte* ‘dynamic+’ injunction in favour of DAZN Ltd., the official broadcaster of the FIFA world cup 2025.<sup>8</sup> Justice Saurabh Banerjee passed the order, allowing for the immediate blocking of rogue websites found to be illegally streaming the plaintiff's copyrighted content. The plaintiff, DAZN Ltd., is a global sports broadcaster that holds exclusive rights to stream the FIFA World Cup 2025 in India and other territories. Through its investigators, the plaintiff discovered several masked websites illegally streaming content to which it held exclusive rights, such as Ligue 1 matches. Anticipating similar infringement during the upcoming world cup, the plaintiff sought a dynamic injunction to proactively combat piracy. The ‘dynamic+’ injunction empowers the plaintiff to directly notify Domain Name Registrars (“DNRs”) and Internet Service Providers (“ISPs”) to

<sup>5</sup> *Thomson Reuters Enter. Centre GmbH v. Ross Intelligence Inc.*, 694 F.Supp.3d 467

<sup>6</sup> *Google LLC v. Oracle America, Inc.*, 593 U.S. 1 (2021)

<sup>7</sup> *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510

<sup>8</sup> *DAZN Ltd. & Anr. v. Buffsports. Me & Ors.*, CS(COMM) 536/2025



block new or altered domains (such as mirror sites or redirects) that are found to be streaming its content, ensuring real-time enforcement.

The Court found that the plaintiff had successfully established a *prima facie* case of copyright infringement by masked operators. It was observed that without immediate relief, the plaintiff's legitimate rights would be jeopardised. The bench stated, "*Therefore, the plaintiff has been able to make out a prima facie case in its favour and against the defendants, and the balance of convenience also tilts towards granting relief in favour of the plaintiff. If an ex parte ad interim injunction is not granted, the plaintiff is likely to suffer irreparable loss and injury.*" The Court further observed that, since the plaintiff is legally rightful owner of the intellectual property rights therein, i.e. both qua its original works as well as the licensed works for exclusive broadcasting, the plaintiff is well and truly entitled to seek and obtain protection.

The matter has been listed for further proceedings on December 16, 2025.

### **Supreme Court ACCEPTS Transfers Petitions Challenging Constitutionality of Online Gaming Act, 2025**

On September 8, 2025, the Hon'ble Supreme Court of India disposed of transfer petition filed by the Union of India for clubbing petitions filed before the Karnataka, Delhi and Madhya Pradesh High Courts to hear challenges to the Promotion and Regulation of Online Gaming Act, 2025 ("Act")<sup>9</sup>.

A bench comprising Justice JB Pardiwala and Justice KV Viswanathan observed: "*The transfer as prayed for is allowed. The proceedings from the High Court of Karnataka, the High Court of Delhi and the High Court of Madhya Pradesh stand transferred to this Court. The respective High Courts are directed to transfer the entire records with all interlocutory applications etc. within a period of one week from today. Let this transfer be done digitally to save time.*"

The prayer made in the writ petition filed before the Bengaluru bench of the Karnataka High Court pertained to unconstitutionality and striking down of certain provisions of the Act as being beyond the legislative competence of the Centre and violative of the Constitution of India. The petitioners contended that the legislation suffers from manifest arbitrariness. The impugned Act seeks to prohibit 'online money games', in stark contradiction to various Supreme Court and High Court pronouncements insofar as they apply to online games of skill such as rummy and poker. Accordingly, they plead reading safeguards into the powers exercisable under Section 14, 15 and 16 of the Act.

Similar writ petitions have been filed before the Delhi and Madhya Pradesh High Court. The main ground of challenge in all the petitions is that the Act prohibits even those games which involve a game of skill and not mere chance, especially e-sports. It is contended that the Act puts a blanket prohibition on judicially recognised skill-based games, thus violating Article 19(1)(g) of the Constitution of India.

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<sup>9</sup> *Union Of India V. Head Digital Works Private Limited*, Transfer Petition (Civil) Nos. 2484-2486 of 2025



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