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REGULATIONS ON ONLINE FANTASY GAMINGS

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FANTASY GAMINGS

Online fantasy sports are growing popularity in India. Typically, this model involves participants taking on the role of an owner/manager with a restricted budget and the ability to purchase, sell, transfer, and substitute players prior to each game week/match day, based on opponent and player availability. The points are then awarded to the participants depending on the results of the actual matches, especially the performance of the chosen players in their squad. Certain variants of Fantasy sporting activities might be considered to be mostly skill-based in the Indian setting.

Varun Gumber v. Union Territory of Chandigarh and Othersⁱⁱ addressed the issue of whether online fantasy sports may be deemed gambling. The court determined that Dream11 is a game of skill so it does not constitute gambling. The court declared that:

“Playing a fantasy game by any participating user entails assembling a virtual team, which needs significant ability, judgment, and prudence. The participant must evaluate each athlete/sportsperson's relative merit in comparison to all other athletes/sportspeople eligible for selection. He must learn the norms and regulations governing athletes' and players' strengths and weaknesses. The numerous criteria as described above supplied by the responder firm would undoubtedly effect the outcome of the game.”

A common question concerning fantasy sports is whether they are a kind of gambling or betting. Gambling often entails wagering money on the likelihood of something happening. In the case of Dr. K. R. Lakshmanan v. State of Tamil Naduⁱⁱⁱ, the Supreme Court of India ruled that gambling is defined as paying for a chance to win anything. Games can be classified as either luck-based, skill-based, or a combination of the two.

THE LEGAL STATUS OF FANTASY ACTIVITIES IN INDIA

In terms of fantasy game rules and regulations, each state has its own set of legislation, making it difficult for individuals to determine if it is legal or not. For example, a few states, like Sikkim, Nagaland, and Meghalaya, have modern gaming regulations and licensing regimes for internet games, skill games, and fantasy sports activities. Online skill games are licensed in Nagaland, Meghalaya, and Sikkim.

The Indian Constitution's Schedule VII makes no mention of fantasy games. However, the Constitution recognizes gambling and betting as legislative concerns and has put them in List II, Entry 34 of the Seventh Schedule, granting the State the ability to act on the matter.

Some states, including Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu, have altered their gaming laws to diminish or eliminate skill game exemptions and impose a blanket ban on games played for a stake. Legal objections to these modifications have emerged. Some courts have rejected modifications, while others are still pending.

KEY POINTS THAT MUST BE MET

License and Renewal Duration: Licensing lengths vary by state, however most licenses are good for five years. Renewals are frequently attainable by application.

Allowances for Skill Activities: Most state statutes exclude games of "mere skill," which are commonly construed as games focused largely on talent. Some states, such as Nagaland and Meghalaya, offer inventories of officially recognized skill games.

Current Legislative Updates and Obstacles: Some states, including Telangana, Andhra Pradesh, the state of Karnataka, and Tamil Nadu, have altered their gaming laws to diminish or eliminate skill game exemption and impose a blanket ban on games played for stakes. Legal objections to these modifications have emerged. Some courts have rejected modifications, while others have stayed pending.

Advertising Standards and Legislation: The Advertising Standard Council of India (ASCI) has established guidelines for how advertising involving online gaming should be written. They also established guidelines for advertisements concerning online gaming. These guidelines aim to keep advertisements from being misleading or improper, particularly when they are shown to youngsters.

VARIOUS LEGAL AND REGULATORY CHALLENGES

1. Laws governing action-based and violent games:

Many prominent casual games, such as Grand Theft Auto, Call of Duty, and PUBG, are action-oriented games that appeal to young gamers. The relationship between teens' exposure to specific types of games and violence in society is being examined, as several PILS have been filed across India to prohibit PUBG due to its violent, destructive, addicting, and distracting character. Several state legislative bodies have additionally prohibited PUBG in their respective states.

2. Intellectual Property Rights and Related Issues:

Casual games are frequently theme-based and use images, musical notes, statistics, characters, and other elements to enhance their appeal. Because all such works are subject to copyright protection in its own right, using such copyrighted content in games without obtaining appropriate permissions/licenses from the owner of the copyrighted material can result in copyright infringement concerns under the Copyright Act of 1957^{iv}. Popular names could also be safeguarded under Indian trademark law, and the offender can be sued for violations or passing off under the Trademarks Act of 1999^v.

3. Taxation:

Section 115BB of the revenue Tax Act of 1961^{vi} imposes a 30% tax on revenue received from gambling, betting, gambling, games, or any prize competition. Because this is a unique income category, no offset or deduction is allowed, and taxation on gambling wins is due even if the overall income falls below the tax brackets.

CONCLUSION

To summarize, the online gaming business is a fast expanding market subject to a variety of gaming laws and regulations. While some governments accept internet gaming, others have stringent limitations or outright prohibitions. The legal status of online gambling, gambling venues, or fantasy sports is determined by a variety of variables, including the player's location and the country where the company that operates them is licensed.

Many governments have regulated the online gambling sector to safeguard players to ensure fair play. However, as the popularity economic online gaming grows and technology advances, gambling regulations are always altering to keep on top of the rate of change.

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ii [SHRI VARUN GUMBER v. UT OF CHANDIGARH & ORS | Punjab & Haryana High Court | Judgment | Law | CaseMine](#)

iii [Dr. K.R. Lakshmanan vs State Of Tamil Nadu And Anr on 12 January, 1996 \(indiankanoon.org\)](#)

iv *The Copyright Act 1957 of 1957* (no date). Available at:

<https://copyright.gov.in/Documents/CopyrightRules1957.pdf>

v *SEC II - ipindia.gov.in* (no date). Available at:

https://ipindia.gov.in/writereaddata/Portal/IPOAct/1_43_1_trade-marks-act.pdf

vi *The Digital Legal Library (2022) ICNL*. Available at: <https://www.icnl.org/resources/library>