

# Gaming Law Wrap

February 11, 2016

## ONLINE POKER - UPDATE ON THE GAUSSIAN NETWORK CASE

In *Gaussian Network Pvt Ltd v. Monica Lakhanpal*<sup>1</sup>, a District Court in New Delhi had in 2012 opined that virtual gaming portals would come within the purview of the definition of "Common Gaming House", as they housed instruments of gaming and are only an alternative to brick and mortar casinos, and are thus prohibited. Additionally, the court also opined that even players of such online portals would be liable to penal consequences, without going into the merits of the argument.

However, this judgment is only binding on the parties to the matter as the petitioners had filed a petition under Order 36 Rule 1 of the Code of Civil Procedure ("CPC"). This matter is currently pending before the Delhi High Court<sup>2</sup> by way of a revision petition and was heard by the court on January 21, 2016. The proceedings before the Delhi High Court were as follows:

- Gaussian Network Pvt Ltd ("Petitioner") and Monica Lakhanpal ("Respondent 1") were present before the Delhi High Court. Respondent 1 who is a proposed investor in the Petitioner company, stated that it was also challenging the district court's judgment. Initially, the standing counsel for State of NCT Delhi ("Respondent 2") was not present.
- The Petitioner argued that under every statute in relation to gaming, poker qualified as a game of skill. Also that poker remained a game of skill if it was played online or offline.
- Interestingly, the State of NCT Delhi ("Respondent 2") chose to make appearance and stated that it would be making arguments before the court.
- During the course of the brief hearing, the junior counsel for Respondent 2 stated that it would be relying on *KR Lakshmanan v. State of Tamil Nadu*<sup>3</sup> and *Senior Electric Inspector v. Laxmi Narayan Chopra*<sup>4</sup>. It is likely that Respondent 2 will be relying on this to argue that definition of a "Common Gaming House" as defined in various gaming legislations should be contemporaneously construed to include a virtual gaming portal.
- A request for adjournment was made since the standing counsel for Respondent 2 was predisposed. The matter will be heard again on April 21, 2016.

The developments in this case, especially the line of arguments advanced by Respondent 2 would be interesting to follow. We will keep you posted as and when there are more updates.

– Mithun Verghis, Ranjana Adhikari & Gowree Gokhale  
You can direct your queries or comments to the authors

<sup>1</sup> Suit No 32 of 2012

<sup>2</sup> CRP 119 of 2012

<sup>3</sup> AIR 1996 SC 1153

<sup>4</sup> AIR 1962 SC 159

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