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1. Indostan is a country whose laws are identical to that of India. Public transport in Indostan is completely dependent on private players, including local taxis who are governed by self-regulated unions. Due to lack of government intervention, the local taxi unions had become extremely powerful and were overcharging customers for the rides. Further, the taxi drivers often arbitrarily refused to carry passengers. Due to this, the Government of Indostan was receiving a stream of complaints from disgruntled passengers, requesting government intervention.
2. In 2014, Sober International Private Limited, a multinational app-based cab service provider headquartered in the Disunited States of Hoppipola, made an entry into the Indostani transportation market through its wholly owned subsidiary, Sober India Pvt. Ltd. (hereinafter “**Sober**”), seeking to provide an alternate transport solution. Sober started its operations in three Indostani states, i.e. Aridabad, Didiland and Yogidabad. Sober offered a superior technology application which served as a platform to connect drivers registered with them to passengers who have downloaded the Sober Cab App (hereinafter “**App**”) on their mobile phones. Sober took a percentage of the profit from the Sober drivers in lieu of providing the app-based services to them.
3. In 2014, Sober offered “upfront pricing” to customers whereby before the customer books a cab, a price estimate for the ride is shown on the App to the customer so that the customer is aware of the expense that will be incurred. The cabs provided by the App were air-conditioned, comfortable and generally, well maintained. The fares for the rides were very reasonable. Thus, Sober was hugely popular among the passengers of Aridabad, Didiland and Yogidabad and easily captured the consumer market. As a result of this, the local taxis faced losses.

4. The local taxi unions were inspired by the success of Sober and created their own app-based taxi service company for the benefit of the local cab drivers by the name of “Hola Technologies Private Limited” (hereinafter “**Hola**”) that provided services through the Hola Cab App (hereinafter “**Hola App**”) in the states of Aridabad, Yogidabad and Didiland. The local cab drivers could register their cabs from the app and run their business on a model similar to that of Sober. The only difference in their mode of operation was that while Sober cabs charged their customers using a technology which determined the fares on the basis of GPS data, Hola cabs used traditional taxi meters.
5. At this point Sober started attracting drivers from all cab services by promising them a higher pay. Sober took advantage of the captured market and shifted the whole cost of enhanced driver’s salary on customers. In 2015, Sober introduced the “dynamic pricing model” (hereinafter “the **Model**”) to calculate the fare for their customers. The Model calculated the fare for a ride based on the demand and supply of Sober cabs in a given area. This meant that the fare for a given route could vary at different hours of the day depending on the demand for the cabs. It is pertinent to note that because of the Model, the fare for rides of the same distance were seen to rise to two to three times the actual fare that was payable before the introduction of the Model. The Model was therefore criticized from various quarters on the ground of being arbitrary and extortionary.
6. Hola on the other hand did not follow the concept of dynamic pricing and ensured that standardised prices were charged at all hours of the day to customers. However, the drivers registered with Hola complained of a lower revenue than their Sober counterparts and complained that the lower fares charged by Hola made it difficult for them to provide profitable service. Due to this, Hola decided to introduce a higher night rate that would be applicable to Hola rides after 11 pm till 5 am.
7. The increased complaints against the higher pricing mechanisms by all app-based cab service providers demanded government intervention. Thus, in July 2016, to address the concerns of passengers, the Aridabad, Ministry of Road Transport & Highways (“**MORTH**”) framed the “Aridabad City Taxi Rules, 2016” (hereinafter “**Rules**”) under the City Taxi Act, 2016 to regulate app-based cab service providers. These Rules were drafted after taking into consideration feedback received from various stakeholders pursuant to a consultation paper being published, which invited the public to present their

views on the proposed Rules. Rule 6.9 of the Rules set out a cap on the maximum amount that could be charged over and above the normal fare, stipulating that Indostani app-based taxi service providers could not charge more than Rs. 2000 as additional fare per ride. Rule 6.10 of the Rules prescribed a penalty of Rs. 3,00,000 for first contravention of Rule 6.9 and mandated cancellation of the license to do business of the private app-based taxi service provider for any subsequent contravention of the said Rule.

8. At this juncture, a section of Hola cab drivers wanted to migrate from traditional taxi fare meters to the GPS based model of calculating fare (similar to the fare model of Sober). However, as the change from traditional taxi meters to a higher technology meter system would entail incurring significant cost, the other section of Hola cab drivers shot down the proposal. Sober exploited the situation by completely removing transparency from its pricing and charged any surged rates within the upper cap of Rs. 2000, as stated in the Rules (which did not state the mechanism of pricing). Due to this, there was a further shift of drivers to Sober, as it was deemed more profitable and the number of Hola cabs drastically reduced. Thus, the customers were left with no choice but to choose Sober at higher rates. Sober had almost become a public utility service.
9. Sober started cashless payments for its cab rides and thereby collected banking payment information from its customers, such as credit/debit card numbers and other details. On 30 July 2016, there were alleged instances of the financial information being leaked. The primary reason cited by the aggrieved individuals whose financial information was compromised was the poor data storage mechanism adopted by Sober. In order to make the data storage cheap they transmitted the data to a country called “**Chunisia**” with inferior data security laws and infrastructure as compared to Indostan. However, Sober completely denied the allegations and stated that there were no such data breaches. Sober made a public statement that it had not violated any right of its users. Sober mentioned that while downloading their app-based services, the users have agreed to all terms and conditions (including any future amendments that Sober makes to its terms and conditions), which included giving up any rights under applicable data privacy and protection laws. Sober claimed that they have explicitly taken the permission to handle their customer’s payment related data in the manner that they were handling.

10. In early 2017, MORTH realized that there has been increased instances of harassment, molestation and rape by the drivers of apps based cab service providers. Therefore, Rules 7.1 to 7.6 were introduced in the Rules that required app based cab service providers to install cameras in the cab that would continuously video record the inside of the cab. The Rules also mandated preserving of the recorded video footages for at least one year. These Rules were opposed by Hola as it would entail costs for installation of cameras. Sober readily installed the cameras to be in compliance with the Rules whilst Hola continued its agitation. The Rules were also opposed by privacy activists of Indostan. The protests became severe when video footage of a famous actress sitting in a revealing position inside a cab was leaked in social media, UVWTube and other video sharing portals and it was discovered that certain footages were also being sold on an online selling platform operating in Indostan.
11. Aggrieved by the actions of Sober and MORTH, some consumers collectively filed a writ in the High Court of Aridabad through a Non-Governmental Organisation, Common Man Union of Civil Liberty (“CMUCL”), (later on joined by Hola). Sober managed to procure the latest financials filed by Hola, which showed Hola making substantial donations to CMUCL. Based on this finding, Sober opposed the writ, stating that it was a motivated litigation and no public interest was involved. CMUCL’s claims were broadly as follows:
- a. The Rules framed were substantially ultra vires the Constitution of Indostan as it was arbitrary, unjust and unfair and violated the right to equality of the taxi service providers.
 - b. The Rules were in contravention of the right to privacy that the citizens of Indostan were entitled to as a Fundamental Right.
 - c. Sober has violated contract and data privacy/protection laws of Indostan in a manner that has severely impacted larger public interest.
12. The High Court of Aridabad, upon hearing both the sides, decided in favour of the Government of Aridabad and Sober. Aggrieved by the decision, CMUCL has filed a Special Leave Petition before the Supreme Court of Indostan.