

# Indian Film Industry

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## Tackling Litigations

February 2020

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# Contents

<b>1. INTRODUCTION</b>	<b>01</b>
<b>2. OVERVIEW OF COPYRIGHT LAWS OF INDIA</b>	<b>03</b>
I. In what does Copyright Subsist?	03
II. Is Copyright Registration Compulsory?	03
III. Berne Convention and Universal Copyright Convention	03
IV. Rome Convention	03
V. WCT and WPPPT	04
VI. What Rights does Copyright Provide?	04
VII. What is the Term of Copyright?	04
VIII. First Ownership of Copyright & 'Work for Hire'	04
IX. Special Monetary Rights Conferred on Lyricists, Music Composers & Authors of the Script, Screenplays etc.	05
X. Assignment and Licensing of Copyright	05
XI. Author's Moral Rights	06
XII. Performers' Right	06
XIII. Broadcast Reproduction Right	07
<b>3. CONCEPTUALIZING THE PROJECT &amp; AUTHORIZING THE SCRIPT</b>	<b>09</b>
I. Theft of Idea, Story and Script (Infringement of Copyrights)	09
II. Disputes Arising out of Insufficient Documentation	11
III. Grant of Rights to Multiple Individuals	11
IV. Adaptations, Remakes and Biopics	11
V. Infringement of other IP Rights	14
<b>4. PROTECTING &amp; SECURING THE TITLE OF THE FILM</b>	<b>16</b>
I. Registration with Industry Associations	16
II. Protecting the Title under the Umbrella of Intellectual Property Laws	16
<b>5. PROTECTING THE LYRICS, MUSIC AND RECORDINGS</b>	<b>19</b>
I. Intellectual Property in a Song	19
II. Ownership of the Intellectual Property in the Melody	19
III. Litigious Strains of Music	20
IV. Remixes & Cover Versions - Are they Legal	21
V. New Media	22
VI. Debate on the Right to Claim Royalty in Relation to Underlying works / Publishing Rights	23
VII. The Aditya Pandey Case	23
VIII. Management of Rights Through Copyright Societies	24
IX. Compulsory Licensing of Published and Unpublished Content	26

<b>6. INFRINGEMENT OF COPYRIGHT AND PIRACY</b>	<b>28</b>
I. Infringement of Copyright	28
II. Legal Framework for Countering Counterfeiting and Piracy	28
<b>7. DISPUTES – VIA CONTRACTUAL RELATIONSHIPS &amp; VIA DISTRIBUTION / EXPLOITATION RIGHTS</b>	<b>32</b>
I. Disputes arising out of distribution / exploitation rights	32
<b>8. FILMS AND CENSORSHIP</b>	<b>34</b>
I. Framework	34
II. What is a Cinematographic Film?	34
III. CBFC and Certification of Cinematograph Films	34
IV. Grounds on which Certificate has been Refused	35
V. Whether Certification is Required for Private Exhibition of Cinematograph Films	35
VI. Validity of ban by State Authority Post CBFC Certification	36
VII. Broad Legal Principles Governing Censorship	36
VIII. Statutory Offences Connected with Public Exhibition or Broadcast of Films	37

# 1. Introduction

The Indian media and entertainment sector, particularly the film industry—popularly known as Bollywood, has experienced robust growth over the last few years and has become one of the fastest growing sectors of the economy.<sup>1</sup> The film industry in India reached INR 183 billion in 2019 and is expected to grow at a Compound Annual Growth Rate (“CAGR”) of 7.3% per cent from the years of 2019 to 2024.<sup>2</sup> In the last few years, several Bollywood films have successively broken previous records on box office collections, which have perhaps also prompted both multinational entertainment companies and Indian conglomerates to invest in Bollywood films.

Traditionally, the Indian film industry has been social relationship centric, under which the arrangements/agreements were either oral or scantily documented and the disputes were usually resolved without going into arbitration or litigation. This, however, meant absence of proper chain of title documentation leading to uncertainty in the flow of rights. Only in the past few years, the Indian film industry has woken up to the need for written contracts and protection of intellectual property (“IP”) rights. The need arose because the Indian film industry witnessed a paradigm shift in its structure in the last decade. Previously, the films were funded by private money lenders, often mafia money, primarily interested in the collections from distribution rights or the box-office and ignored the residual income from the repurposing of the IP. But after it was accorded the “industry status” in 2000 by the Government of India, the following years saw the films receiving funding from the banks, and Indian corporates

such as Sahara, Reliance group, Mahindra and foreign studios such as Warner Bros., 20th Century Fox and the like. The banks, Indian corporations and foreign investors insisted on written contracts with the producers and required the producers to have watertight contracts with the cast and the crew including appropriate chain of title documentation. With the increase in commercialization opportunities, the talents that hesitated to sign even a one page contract until early 2000 started presenting detailed written contracts to preserve their commercialization rights, e.g., merchandising rights.

On one hand, though the growth of this industry has been stupendous, on the other hand, the glitzy world of Bollywood has seen a rush of litigations for reasons including infringement of IP rights and breach of contract (e.g. non-payment and non-fulfillment of commitments by talents, distributors and producers). The phenomenon has struck innumerable movies of late, including the Oscar winning *Slumdog Millionaire*, requiring the producers and distributors to spend their days prior to the openings pacing court corridors instead of preparing for their premieres.

Sometimes, these controversies seem to crop up strategically, just before the release. Because of the new trend of releasing the films in Middle East on a Thursday, many have dubbed “Wednesday” as the new “Friday” of the industry. The Roshans were amongst the earlier ones to be hit, with damages of INR 20 million before the release of the film *Krazzy 4* in 2007, as music composer Ram Sampath had alleged that the title song of the movie had been plagiarized from tunes he had composed earlier. Attempts were made to stall the releases of magnum opus *Jodha Akbar* and *Singh is Kinng* on religious grounds, while *Ghajini* was victimized by litigations over remake rights and copyright infringement just five days before its release.

1. The Indian M&E sector reached INR 1631 billion (USD 22.8 billion) in 2017, a growth of almost 13 percent over FY 2019. With its current trajectory, we expect it to reach INR 3.07 trillion (USD 43 billion) over FY 2019 – FY 2024, at a CAGR of 13.5% per cent. according to the KPMG Report “India’s Digital Future: Mass of niches” dated August 2019; available at: <https://assets.kpmg/content/dam/kpmg/in/pdf/2019/08/india-media-entertainment-report-2019.pdf> (Last accessed February 11, 2020).

2. *Id.*



Earlier, there were quite a few unauthorized remakes of foreign films in various Indian languages. However, no actions were taken against such films, probably because foreign studios did not consider India as their target market. With the globalization of the Indian film industry and entry of foreign players in India, there is an increase in litigation on this account as well. Bollywood production house BR Films had been sued by 20<sup>th</sup> Century Fox for allegedly copying the storyline and script of its comedy *My Cousin Vinny in the movie Banda Yeh Bindaas Hai*.

In a case filed before the Bombay High Court in 2010, Twentieth Century Fox alleged that the Bollywood film *Knock Out* which was close to its release in India, was an infringement of their copyright in their film *Phone Booth*. The court held that the test of concluding whether the second work is an infringement depends on the impression of the average viewer. The court, on comparing the two films, found that there was a case of copyright infringement and that also that there was little doubt that a person seeing both the films at different times would come to an unmistakable conclusion that *Knock Out* is a copy of *Phone Booth*. An injunction was granted restraining the release, exhibition or broadcast of the film *Knock Out*.<sup>3</sup> In March 2013, the Bombay High Court passed an order disposing the suit in terms of the Minutes of the Order submitted by the parties. The content of the Minutes of the Order submitted by the parties to the court is unknown but there is a possibility that this could have been a settlement reached by both parties.

While the run-of-the-mill IP issues abound the Indian Film industry, new issues continue to add to the challenge in the industry's litigation landscape. Of late, issues of trademark violation, defamation and infringement of right to privacy have added to the bandwagon of litigations. Films such as *Jai Ho*<sup>4</sup> and *Hamara Bajar*<sup>5</sup> have instigated and brought about various issues of trademark infringement. Also, producers of films such as *Rahasya*<sup>6</sup> and *Gulabi Gang*<sup>7</sup> have also been dragged to the courts by persons who allege that the movies, being allegedly based on their lives, infringe their rights of privacy or defame them.

Appropriate due diligence and negotiations at the documentation stage and general caution play a critical role in curbing unwarranted litigation. For ensuring that the contracts are foolproof, one must be aware of, prior to negotiations, not only the commercial aspects but also legal issues such as intellectual property rights and enforceability of the contractual arrangements. In general too, to ensure that the films are not entangled in unnecessary litigation, concerned parties must be cautious of any issues such as copyright or trademark infringement which maybe a potential litigation threat. Constant vigilance and timely, precautionary action alone can ensure a hassle-free film release and screening.

In Chapter II we have given an overview of the Copyright law in India. In the other Chapters, based on our experience and research, we have endeavored to lay out the best practices and strategies to be adopted vis-a-vis litigation that may arise at each stage of the film making process.

3. *Twentieth Century Fox Film Corporation v. Sohail Maklai Entertainment Pvt. Ltd. and Anr.*, 2010 (112) BOMLR 4216

4. *Whose 'Jai Ho' is it?*, dated: December 19, 2013. Available at: <http://timesofindia.indiatimes.com/entertainment/hindi/bollywood/news-interviews/Whose-Jai-Ho-is-it/article-show/27624141.cms>. Last Visited: September 2, 2014.

5. *Bajaj Auto Limited and Anr. v. JA Entertainment Private Limited & Anr.*, Suit No. 491/2013 with Notice of Motion No. 1029/2013, Bombay High Court.

6. *Nupur Talwar & Anr. v. Central Board of Film & Ors.*, Writ Petition No. 945/2014, Bombay High Court.

7. *Sampat Pal v. Sahara One Media & Entertainment Ltd & Ors.*, CS(OS) No. 638 of 2014, Delhi High Court.

## 2. Overview of Copyright Laws of India

The Copyright Act, 1957 (“**Act**”), along with the Copyright Rules, 1958 (“**Copyright Rules 1958**”), is the governing law for copyright protection in India. Substantial amendments were carried out to the Act in early 2012 (“**Copyright Amendment Act**”) (the Act, together with the Copyright Amendment Act is referred to as (“**Copyright Act**”). The Copyright Rules 1958 have also been revised post the Copyright Amendment Act.

The Copyright Amendment Act has perhaps earmarked a new era for the Media & Entertainment Industry as it seeks to protect rights of authors of literary works and musical works and grant them an equal right in the royalties earned from exploiting their creations. It also, *inter alia*, introduces moral rights for performers and statutory licenses for broadcasting organizations (like radio and television). Since the Copyright Amendment Act affects the substantive rights of the parties, it should apply prospectively.

In this chapter, we have provided an overview of the copyright law in India.

### I. In what does Copyright Subsist?

A copyright subsists in an original literary, dramatic, musical or artistic work, cinematograph films, and sound recordings<sup>8</sup> However, no copyright subsists in a cinematograph film or a sound recording, if it infringes other work.

### II. Is Copyright Registration Compulsory?

A copyright in a work is conferred when the original work is created and given a material form. The Copyright Act provides for a procedure for copyright registration. However, registration is not a prerequisite for acquiring a copyright in a work. Further, unlike the U.S. law, the Indian law

does not confer any special rights or privileges with respect to the registered copyrighted work. Also copyright notice is not necessary under the Indian law to claim protection.

The Register of Copyrights (“**Register**”), maintained by the Copyright Office of India, only acts as prima facie evidence of the particulars entered therein. The registration only raises a presumption of ownership. The presumption is not conclusive. However, in infringement suits and criminal proceedings, when time is of essence to obtain urgent orders, registration is of tremendous help.

### III. Berne Convention and Universal Copyright Convention

India is a member of the Berne Convention for the Protection of Literary and Artistic Works as well as the Universal Copyright Convention, both being treaties signed for the purpose of protecting copyrighted works. The Government of India has passed the International Copyright Order, 1958 according to which any work first published in any country - which is a member of any of the above conventions - is granted the same treatment as if it was first published in India.

### IV. Rome Convention

The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organization (“**Rome Convention**”) was signed by India in 1961. The Rome Convention secures protection in performances for performers, in phonograms for producers of phonograms and in broadcasts for broadcasting organizations.

8. Section 13 of the Copyright Act.

## V. WCT and WPPT

The WIPO Copyright Treaty, 1996 (“WCT”) and the WIPO Performances and Phonograms Treaty, 1996 (“WPPT”) are known together as the “Internet Treaties”. They were introduced with the purpose of updating and supplementing the existing WIPO treaties – the Berne Convention and the Rome Convention. This update was seen to be necessary as both the Berne and Rome Convention were updated over a quarter of a century ago; and did not appropriately cover developments in technology and the marketplace. Of particular relevance, is the insertion of a framework for creators and right owners to use technical tools to protect their works and safeguard information about their use, through Protection of Technological Protection Measures (“TPMs”) and Rights Management Information (“RMI”). Curiously, the Copyright Amendment Act brought in changes to bring Indian Copyright Law in conformity with the Internet Treaties in 2012, but the Indian Government only approved accession to the treaties on July 4, 2018. Since the rights and obligations under the Internet Treaties were already provided through the Copyright Amendment Act, the accession does not mandate another amendment to the law. While it is speculated that this delayed accession was primarily done to improve India’s international relations; the accession now means that Indian copyright holders will now have reciprocal protection in countries where the protection of foreign works hinged on accession to the WPPT. Examples of these countries are the United Kingdom, Canada and Australia.

## VI. What Rights does Copyright Provide?

A copyright grants protection to the creator and his representatives for the works and prevents such works from being copied or reproduced without his/their consent. The creator of a work can prohibit or authorize anyone to:

- reproduce the work in any form, such as print, sound ,video, etc.;
- communicate the work to the public or use the work for a public performance, such as a play or a musical work;
- make copies/recordings of the work, such as via compact discs, cassettes, etc.;
- broadcast it in various forms; or
- translate the same to other languages or make adaptations of the work.

## VII. What is the Term of Copyright?

The term of copyright is, in most cases, the lifetime of the author plus 60 years thereafter. In the case of a cinematograph film and sound recordings, copyright subsists for sixty years beginning from the next following the year in which the film/ sound recording is published.

## VIII. First Ownership of Copyright & ‘Work for Hire’

Under the Indian copyright law, an author of a work is usually the ‘first owner’ of such work, except in certain circumstances. The concept of ‘first owner’ under Indian copyright law is quite important. The principles for determining ownership of work are as described below. However, parties can contract out of the presumption of ownership created by the law.

Nature of copyrighted work	Ownership
A Literary, dramatic or artistic work (which includes a photograph, painting or a portrait) created during the course of employment or, under a contract of service or apprenticeship, for the purpose of publication in a newspaper, magazine or similar periodical.	Ownership of the work vests with the proprietor of the publication only for the limited purpose of publishing the work or a reproduction of the work in a publication and, for all other purposes, the copyright shall vest with the author of the work.
A photograph, painting or portrait not been made for the purposes of publication or a periodical	Person at whose instance the work was created.
A cinematograph film	<p>Person at whose instance the work was created, i.e the producer of the film.</p> <p>However, this concept does not apply to the rights of the authors of literary, musical, dramatic and artistic works, which work have been incorporated in a cinematograph film. Thus, the original authors will continue to be considered as the first owners of the said works.</p>
Work made during the course of employment or under a contract of service or apprenticeship, (not covered under instances given above)	<p>The employer.</p> <p>The same exception as above applies.</p>

## IX. Special Monetary Rights Conferred on Lyricists, Music Composers & Authors of the Script, Screenplays etc.

The authors of literary or musical works (i) incorporated in films; or (ii) sound recordings (which are not part of films) have the statutory right to receive royalties for exploitation of their works (other than communication to public of that film in cinema halls). These rights cannot be assigned or waived by the right holders (except in favor of legal heirs and copyright societies). Further, any agreement that seeks to assign or waive the above rights is treated as void. Further, issuing or granting license in respect of literary, dramatic, musical and artistic works incorporated in a cinematographic film or sound recordings can be carried out only through a copyright society, duly registered under the Copyright Act.

The amount of royalty payable to the authors is stated to be 50% of the royalty earned by the

assignee of the underlying works. However, the manner of calculating royalties is not very clear.

It is important to mention here that the concept of payment of royalties is a new concept introduced in the Indian copyright law. The industry is still adapting to the concept of payment of royalties to the authors of underlying works and a standard practice is yet to develop. However, since right to receive royalty is a statutory right, the commercial terms should be worked out, keeping in mind the share of the writers, music composers and lyricists.

## X. Assignment and Licensing of Copyright

An assignment of copyright should be in writing and be signed by the assignor. Such assignment document should identify:

- the work and the rights assigned (assignment of future work is also possible),
- the territorial extent (failing which the rights are deemed to be assigned for the territory of India only); and,

- the duration of the assignment (failing which the rights are deemed to be assigned for a term of 5 years only).

Any medium or mode of exploitation of the work which did not exist or was not in commercial use at the time when the assignment was made is not considered to be included in the assignment, unless the assignment specifically referred to such medium or mode of exploitation. Thus, it has become extremely important to specify the mode and medium in contracts.

Another peculiarity of the Indian copyright law is that the assigned rights can revert to the assignor if the assignee does not exercise the rights within a period of one year from the date of assignment. The parties however have an option to contract out of this provision.

The provisions relating to assignment of copyright applies to licensing of rights as well. The only difference being that while a license arrangement still needs to be in writing, it need not be signed. Thus, online license agreements (which usually are unsigned) are given legal validity provided the other conditions for grant of a license are complied with.

## XI. Author's Moral Rights

Independent of ownership of copyright, the authors enjoy moral rights. Moral rights subsist even after the assignment (whole or partial) of the said copyright. The authors can (a) claim authorship of the work; and (b) restrain or claim damages with respect to any distortion, mutilation, modification, or other act in relation to the said work if such distortion, mutilation, modification, or other act would be prejudicial to his honor or repute. These special rights can be exercised by the legal representatives of the author as well.

## XII. Performers' Right

Performers<sup>9</sup> who appear or engage in any performance, have also been given a special right in relation to his performance called the 'performer's rights.

The term of this right is 50 years from the beginning of the calendar year following the year of performance. The "Performer's Right" is an exclusive right, which allows the performer to do or authorize the a third party to make a sound recording or a visual recording of the performance, including (i) its reproduction in any material form; (ii) issuance of copies of it to the public; (iii) communication of it to the public; (iv) selling or giving it on commercial rental or offer for sale or for commercial rental any copy of the recording. The Performer's Right also allows the performer to do or authorize a third party to broadcast or communicate the performance to the public, except where the performance is already broadcast.

The performer is entitled to receive royalties in case of making of the performances for commercial use. Further, like the authors, a performer also has certain moral rights which can be exercised by them independent of their right after assignment. Such moral rights give the right to the performer to (a) claim identification as the performer of his performance of the work, except where omission is dictated by the manner of the use of the performance; and (b) restrain or claim damages with respect to any distortion, mutilation or other modification of his performance that would be prejudicial to his reputation. Such rights however need to be exercised by the performer in their individual capacity and cannot be assigned or exercised by legal heirs.

9. Under the Copyright Act, a 'performer' has been defined to include an actor, singer, musician, dancer, acrobat, juggler, conjurer, snake charmer, a person delivering a lecture or any other person who makes a performance. However, a person whose performance is casual or incidental in nature and, in the normal course of the practice of the industry, is not acknowledged anywhere including in the credits of the film is not treated as a performer except for the purpose of attributing moral rights (Section 2(qq) of the Copyright Act).



To give creative flexibility to the producers and editors, the Copyright Act clarifies that mere removal of any portion of a performance for the purpose of editing, or to fit the recording within a limited duration, or any other modification required for purely technical reasons is not be deemed to be prejudicial to the performer's reputation. Indian performers are entitled to claim copyright protection in countries that have acceded to the Rome Convention. Additionally, as mentioned above, the accession to the WPPT now means that Indian performers will have reciprocal rights in the United Kingdom, Canada and Australia that they didn't enjoy before the accession.

### XIII. Broadcast Reproduction Right

Every broadcasting organization has been given "broadcast reproduction right", with respect to its broadcasts. The term of this right is 25 years from the beginning of the calendar year following the year in which the broadcast is made. A person cannot re-broadcast the broadcasts, cause the broadcast to be heard or seen by the public on payment of any charges, make any sound recording or visual recording of the broadcast, make any reproduction of such sound recording or visual recording where such initial recording was done without or in contravention of licence, sell or give on commercial rental or offer for sale or for such rental, any such sound recording or visual recording without the permission / licence from the owner of the rights.

While the broadcast reproduction rights are granted to the broadcasters, there may be instances where the broadcast consists of live events. Since prior permission of regulators is usually required to broadcast live events, and the grant of permission may be subject to certain conditions, the broadcaster may need to exercise rights subject to certain restrictions. Further, feeds of sports of national importance may need to be mandatory shared with the government operated broadcasters. Thus, the rights of the broadcaster may not remain 'exclusive' in certain cases.

#### A. Copyright Societies

The primary function of a copyright society is to administer the rights on behalf of its members and grant licenses to interested parties for the commercial exploitation of these rights. Under the Copyright Act, authors as well as owners of the work can become members of the copyright societies. Please refer to Chapter 5 for further details.

#### B. Compulsory Licenses

A compulsory license ("CL") is issued by the Copyright Board to allow the complainant the right to use a copyrighted piece of work if the Copyright Board concludes that such work is withheld from the public by the owner of such work. The complainant however has to pay royalties to the copyright owner (as determined by the Copyright Board) for the use of such works. Under the Copyright Act, the CL provisions are applicable both for Indian as well as foreign works. Further, copyrighted work may be made available under CL for the benefit of people suffering from disabilities.

#### C. Statutory Licenses

A "statutory license" can also be obtained for broadcasting of literary or musical works and sound recording in relation to published works. As per the Copyright Act, any broadcasting organization that proposes to communicate such works to the public by way of a broadcast or by way of performance may do so by giving prior notice of its intention to the owners of the rights. Such prior notice has to state the duration and territorial coverage of the broadcast and pay royalties for each work at the rate and manner fixed by the Copyright Board. The rate of royalty fixed for television broadcasting is different than that fixed for radio broadcasting. In fixing the manner and the rate of royalty, the Copyright Board may require the broadcasting organization to pay an advance to the owners of rights. No fresh alteration to any literary or musical work, which is not technically necessary for the purpose of broadcasting, other than shortening the work for convenience of broadcast, can be made the

licensee without the consent of the owners of rights. The names of the author and the principal performer will have to be announced with the broadcast (unless communicated by way of the performance itself). To bring transparency, records and books of accounts are required to be maintained by the Broadcasting Organizations and reports are required to be given to the owners of the rights. The owners are also given audit rights against the broadcasting organizations.

## D. Statutory License for Cover Versions

The Copyright Act provides for the grant of statutory licenses for making “cover versions” as well, so as to enable a person to reproduce a literary, dramatic or musical work in an existing sound recording. However, certain conditions have to be complied with for making legitimate cover versions. Some such important conditions are as follows:

- Cover version (CV) may be made only of such literary, dramatic or musical work, in relation to which a sound recording has already been made by or with the license or consent of the owner of the right in the work;
- CV can be made in the same medium as the last recording of the original work, unless the medium of the last recording is no longer in current commercial use;
- CV can be made only after the expiration of five calendar years after the end of the year in which the first sound recordings of the original work was made;
- CV shall not contain any alteration in the literary, dramatic or musical work, which has not been made previously by or with the consent of the owner of rights, or which is not technically necessary for the purpose of making the sound recordings;
- CV shall not be sold or issued in any form of packaging or with any cover or label which is likely to mislead or confuse the public as to their identity, and in particular shall not contain the name or depict in any way any performer of an earlier sound recording

of the same work or any cinematograph film in which such sound recording was incorporated;

- CV should state on the cover that it is a cover version made under the relevant section of the Copyright Act;
- The person making the CV is required to give prior notice of his intention to make the sound recordings in the prescribed manner, and provide in advance copies of all covers or labels with which the sound recordings are to be sold, and pay in advance, to the owner of rights in each work royalties in respect of all copies to be made by him, at the rate fixed by the Copyright Board in this behalf;
- One royalty in respect of cover version is required to be paid for a minimum of fifty thousand copies of each work during each calendar year in which copies of it are made. However, the Copyright Board may, by general order, fix a lower minimum in respect Accordingly, CVs made in accordance with the terms of grant of a statutory license are not considered infringement under the Copyright Act.

The changes introduced to the copyright law in India are fairly recent and there is lack of clarity on how some of the newly introduced provisions will be implemented in actuality. However, the media and entertainment industry is slowing, but steadily, adapting to changes. It will be interesting to see how the industry deals with the changes in the coming days. Since many new rights have been conferred on copyright owners, it is advisable to be apprised of the changes doing a deal in India. In Chapter 5 we have discussed the cover versions and remixes in detail.

### 3. Conceptualizing the Project & Authoring the Script

Script creation is one of the early steps in making a film. The process involves conceptualization of idea, creation of a concept note, followed by preparation of the storyboards and script. Several individuals are generally involved in this process such as the originator of the idea, producer, director, script writer, dialogue writer and script doctor. The concept may be the brainchild of the producer, director or scriptwriter but the producer is required to ensure that all rights<sup>10</sup> that vest in each of the individuals participating in the script creation process are duly acquired by him to complete the chain of title.

#### **Points to be included in the script assignment contracts**

- *Specific waiver of rights of author under section 19(4) of the Act otherwise the assignment is deemed to automatically expire if rights are not used within one year of assignment;*
- *Term and territory of assignment should be specifically mentioned;*
- *Advisable to specifically mention each right assigned to avoid conflict in interpretation of the agreement at a later date.*

Some of the issues that may arise at this stage are as follows:

- a. Theft of idea, story and script (Infringement of copyrights)
- b. Disputes arising out of insufficient documentation
- c. Grant of rights to multiple individuals
- d. Adaptation and remake rights
- e. Infringement of other IP rights

10. As per section 2 (y) of the Copyright Act, 1957, copyright vests in literary works such as scripts

Some of these issues may arise out of contractual breaches, while the others may arise due to breaches of legal rights.

#### I. Theft of Idea, Story and Script (Infringement of Copyrights)

When a writer has an idea and wishes to scout for script development funding, he needs to share the idea with multiple individuals. Copyright law grants protection not to an idea but to its expression. Hence, there is no copyright protection available to an idea, unless given a tangible form with adequate details. With a single idea (or even concept note), multiple storylines can be developed, each capable of separate copyright protection. Hence, the only way the script writer may be able to protect the idea or concept note would be through non-disclosure agreements (NDAs). The courts have upheld protection of idea through such non-disclosure agreements or when the idea has been communicated in confidence.<sup>11</sup> In the case of *Zee Telefilms Ltd. v. Sundial Communications Pvt. Ltd.*,<sup>12</sup> Sundial developed the idea of a TV series called *Krish Kanhaiya* and approached the Managing Director of Zee and shared a concept note where the basic plot and the character sketches were outlined in confidence. Later, it was found that a TV series called *Kanhaiya* was broadcasted on Zee TV and this series was substantially similar in nature to the idea that Sundial had communicated to Zee. Sundial filed a suit against Zee and, inter alia, sought for injunction. At the interim stage, a single Judge bench of Bombay High Court

11. (i) *Anil Gupta v Kunal Dasgupta*, AIR 2002 Del 379; (ii) *Zee Entertainment Enterprises Ltd. v. Gajendra Singh and Ors.* MANU/MH/0834/2007; (iii) *Urmi Juvekar Chian v. Global Broadcast News Ltd. and Anr.*, MANU/MH/0315/2007 and (iv) *Celador Productions Ltd. v. Gaurav Mehrotra*, MANU/DE/0045/2002

12. 2003 (5) BomCR 404



granted an injunction. In an appeal against this injunction by Zee, the Bombay High Court opined that an average person would definitely conclude that Zee's film was based on Sundial's script and hence upheld the injunction against Zee as Sundial's business prospect and goodwill would seriously suffer if the confidential information of this kind was allowed to be used. In cases of disputes, in addition to NDAs, the writer would have to prove that he originated the idea and the date of origination. We have discussed below the methods by which he could do it.

## A. Copyright Protection for Concepts, Scripts & Screenplays

Concepts, scripts, screenplays are protected as literary works under the Copyright Act and get protection if they are original<sup>13</sup>

In most countries, copyright subsists in the work without any formal registration. The moment the work is created, it gets protection. India is a member of the Berne Convention and the Universal Copyright Convention. The Government of India has passed the International Copyright Order, 1999 according to which any work first made or published in any country - which is a member of any of the aforementioned conventions - is granted the same treatment as if it was first published in India.

To create evidence of creation of the concept notes / script, some of the recommended steps are -

- to apply for the registration of the script with copyright offices,
- to register with the writer's association/s,
- to mail the script (as discussed below)

The Copyright Act provides for the procedure for registration of copyright in literary work. Such registration only serves as prima facie evidence of the ownership of copyrights. Such

evidence is rebuttable i.e. if a third party is able to prove that it is the owner of the relevant work, then the registration obtained may be cancelled by the Registrar of Copyright and/or disregarded by the court. However, such registration process may take a year or two. A practice that has developed in the industry is to register the script with the writers associations like the Film Writers Association of India. This again proves date of creation of the script. Typically, the industry respects such registrations. However, there is no legal right conferred by such registration but acts only as evidence for the purpose of establishing date of creation.

Therefore, one of the best methods to prove date of creation of the work, ownership of copyright, and other details with respect to the work, is to mail a copy of the script (whether in print or in electronic format) to the originator of the work himself or to a trusted friend. The email or the sealed package, as the case may be, can serve as good evidence of the date of creation of the work and ownership of the copyright.

Previously, there was an ambiguity as to whether the producer of a cinematograph film would be the first owner of the script used in such a work. Where a dispute arose between the scriptwriters and the producers in regard to a remake of a well-known Bollywood film Zanjeer, it was held by the court<sup>14</sup> that the producer of the cinematograph film would be the first owner of the script, as the script used in the production would constitute an underlying work in the 'cinematograph film'<sup>15</sup> as defined under the Copyright Act. Subsequent to this ruling, both parties withdrew the suit. While this ruling holds good for films produced prior to the Copyright Amendment Act, with the introduction of the Copyright Amendment Act, the author of the script will be the first owner of the work and he may assign the copyright of the script to another person, however, he shall have the right to claim royalties, irrespective of an agreement to the contrary

13. R. G. Anand v. Delux Films & Ors., AIR 1978 SC 1613; Vipul Amrutlal Shah v. Shree Venkatesh Films Pvt. Ltd. & Ors., C.S. No. 219/2009 (Calcutta High Court) and Barbara Taylor Bradford v. Sahara Media Entertainment Ltd., MANU/WB/0106/2003 (Calcutta High Court)

14. *Salim Khan & Anr. v. Sumeet Prakash Mehra & Ors.*, SUIT (L) NO. 283/2013, Bombay High Court

15. Section 2(f) of the Copyright Act:

## II. Disputes Arising out of Insufficient Documentation

As discussed earlier, the Indian film industry, at one point, lacked documentation to evidence the chain of title. With many stakeholders now understanding the need for it, one would assume that disputes arising out of faulty documentation are eliminated. The reality is quite different though! The lack of knowledge of the intricacies of laws, and emergence of new technologies and convergence, still leads to inaccurate, incomplete or incomprehensive documentation, resulting in contractual disputes.

One must ensure that the term and territory of the assignment should be specifically mentioned in the assignment deed with authors. In the absence of the same, the Copyright Act provides that the assignee shall hold such assignment for only five years and limited to the territory of India.

Further, the producer/production company must ensure that in the assignment agreements/letters, the authors waive their rights under the provisions of Section 19(4) of the Copyright Act which provides that the assignment of rights will be deemed to have expired if they are not exercised within one year of the date of assignment. This is of particular importance to the film industry, where scripts may be adapted into a film years after they are authored. This provision should also be borne in mind while acquiring rights in relation to lyrical and music works.

## III. Grant of Rights to Multiple Individuals

When the chain of title is unclear, issues relating to ownership of rights over the script are bound to arise. This is especially the case when rights to make a film are assigned to multiple persons in succession or simultaneously. The only solution to this is proper documentation of the assignment of rights preferably in the form of contracts. When precise documents assigning or licensing rights are in place, the settlement of such disputes becomes much simpler.

## IV. Adaptations, Remakes and Biopics

### A. Adaptations of films from Hollywood or any other local Indian language

Remake of Hollywood films or Indian films 'inspired' by them is not a new phenomenon in the industry. However, Hollywood did not take cognizance of them until their studios entered the Indian film industry with their own projects. They have realized a big potential for the remakes of their Hollywood films.

Sony Pictures threatened to sue the makers of *Partner* for remaking their film *Hitch*, and Hollywood's famous studio 20th Century Fox had moved the Bombay High Court against B RChopra Films seeking INR 70 million damages and an injunction against the release of the Hindi film Banda Yeh *Bindaas Hai* alleging that it was a remake of Oscar-winning film *My Cousin Vinny*. 20<sup>th</sup> Century Fox had also moved the Bombay High Court against SME Entertainment Pvt. Ltd. for alleged copying of the script and screenplay of their film *Phone Booth* by making/adapting the same in the latter's film *Knock Out* based on a similar storyline. A single judge of the Bombay High Court granted an interim injunction after viewing both films stating that any average viewer of both films would come to the 'unmistakable conclusion' that the defendant's film is a copy of the plaintiff's film. The principle on which this decision is based is "test of concluding whether the second work is a pirated copy depends on the impression of the average viewer". In appeal however, the Division Bench granted an interim stay of the Single Judge's Order and allowed the movie to be released subject to the producers depositing INR 15 million with the Court and maintaining accounts of the box office collections.

The Indian producers have now started safeguarding themselves by acquiring rights to remake films. Film maker Karan Johar acquired the rights of the Hollywood film *Step Mom* before making his Bollywood adaptation titled

*We Are Family*<sup>16</sup> Similarly, Abbas-Mustan's film *Players* is an official Hindi remake of the film *The Italian Job*,<sup>17</sup> Nagesh Kukunoor's film *Mod* is an official remake of the Taiwanese film *Keeping Watch*<sup>18</sup> and director Siddharth Anand's upcoming film *Bang Bang* is an official remake of the Hollywood film *Knight and Day*.<sup>19</sup>

In cases of copyright infringement of a film, the court will look at whether there has been any substantial copying of the key elements of the film. In the case of *R. G. Anand v. Delux Films & Ors*<sup>20</sup>, the Supreme Court stated that substantial similarity would exist where:

- A subsequent work copies the form, manner, arrangement or expression of an idea, subject, theme etc. that appears in the original work;
- The form, manner, arrangement or expression copied is a fundamental or substantial aspect of the original work i.e. the subsequent work is a “*literal imitation of the copyrighted work with some variations here and there*”
- The reader/spectator/viewer after having read/viewed both works is clearly of the opinion that the subsequent work is a copy of the original.
- The similarities, however few, are significant and/or novel elements of the original work.
- The creator of the subsequent work actually relied, either directly or indirectly, on the original work. However, intent to infringe is not a requisite element of copyright infringement, as infringement may be subconscious.

In this respect, each element would be individually examined and thereafter viewed in entirety to see if there is a qualitative and substantial similarity between the two works in question.<sup>21</sup> Very often, Bollywood filmmakers try to overcome any potential liability by adding elements to the story which are more in tune with the Indian sensibilities. Song and dance, a familial background and other cultural elements are added to the story in order to distinguish it from its Hollywood original. In case of an infringement action against the Indian production house by the Hollywood film makers, the former may argue before the court that while certain elements may be similar, the finished product is different and not a replica of the Hollywood film and thereby there hasn't been any substantial copying of the original film. The court is responsible for protecting the author from others enjoying the fruit over his original work as well as avoiding over-protection of the original work so as to deter future creativity.<sup>22</sup> In fact the *R. G. Anand* case offers holistic guidelines that help the courts to approach the cases with a very balanced approach.

An interesting case where the Delhi High Court considered the question of substantial copying by doing a qualitative analysis of the scenes and characters of both the works, was the case of *Twentieth Century Fox Film Corporation v. Zee Telefilms Ltd. & Ors*.<sup>23</sup> The question before the court was whether the television serial *Time Bomb* was a substantial copy of the television serial *24* produced by 20th Century Fox. The court held that in considering the question of substantiality, the similarities between the programs should be considered individually and then it should be considered whether the entirety of what had been copied represented a substantial part of the plaintiff's program. The court further held that quality and not quantity must determine whether a part is substantial and that 20th Century Fox had not established a prima facie case. There were

16. *Mom-Stepmom Two Step*, dated: September 5, 2010. Available at: [http://www.nytimes.com/2010/09/06/movies/06weare.html?\\_r=0](http://www.nytimes.com/2010/09/06/movies/06weare.html?_r=0). Last visited: September 10, 2014.

17. *India to Remake 'The Italian Job'*, dated: November 23, 2010. Available at: <http://www.hollywoodreporter.com/news/india-remake-italian-job-48404>. Last visited: September 10, 2014.

18. *'Mod' is an official remake of the Taiwanese film*, dated: May 26, 2011. Available at: <http://www.mid-day.com/articles/mod-is-an-official-remake-of-the-taiwanese-film/123167>. Last visited: September 10, 2014.

19. *Hrithik Roshan, Katrina Kaif Star in Bang Bang Poster Number Three*, dated: September 8, 2014. Available at: <http://movies.ndtv.com/bollywood/revealed-i-bang-bang-i-third-poster-660676>. Last visited: September 10, 2014

20. *R. G. Anand v. Delux Films & Ors.*, AIR 1978 SC 1613

21. *Twentieth Century Fox Film Corporation v. Zee Telefilms Ltd. & Ors.* 2012 (51) PTC 465 (Del)

22. *Ibid*

23. *Ibid*

apparent dissimilarities based on watching just 14 frames of the two serials and therefore the court did not grant an injunction.<sup>24</sup>

Recently, a case was filed before the Bombay High Court for alleged copyright infringement of the film *Dhoom 3* on a script written by an individual Mansoob Haider titled *Once*. The court applied the test laid down in the *R.G. Anand* case, i.e., if all scenes are removed, to which no originality attaches, such as all scenes à faire, then whether the two works are substantially similar and whether the subsequent work copied a substantial part of the earlier work. The court applied this test and found that the two works are entirely different and each original in its own way.<sup>25</sup>

The scenes à faire principle has previously been applied in copyright infringement cases. The Karnataka High Court applied this principle in deciding whether the film *Independence Day* was an infringement of the copyright of the film *Extra Terrestrial Mission*. The doctrine of scenes à faire refers to scenes in a film which sometimes 'must' be done as certain patterns and situations are bound to recur. The court held that the depiction of blasting of nuclear missiles, disruption of communications, traffic jams are all scenes à faire found in scientific fictions and that both films were distinct and different from each other.<sup>26</sup>

However, more often than not, procuring adaptation or remake rights may cost a fraction of the budget of the film and goes a long way in minimizing future litigation and potential liability. Therefore, it is recommended to procure the adaptation or remake rights at the stage of pre-production itself. In fact, there have been instances in recent times when Hollywood studios have taken measures to proceed with initial legal action against Bollywood filmmakers for alleged copyright infringement. The involved producers, instead of taking the

matter all the way to court, have preferred to procure a license from the owner and settle the matter out of court.

## B. Adaptations from Books and the Authors' Special Rights

When the script is taken from a previously authored book, apart from the assignment of copyright, it is also pertinent to take into account section 57 (1) (b) of the Copyright Act which deals with Authors' Special Rights which, inter-alia, gives the author the right to claim authorship. While it is obvious that some changes are inevitable when a novel is converted to a motion picture, the provision states that the work cannot be distorted or mutilated or otherwise cause disrepute to the original author. The original author of the book should also be accorded proper credits. This issue was brought to fore in the disputes between author of the book *5 Point Someone* by Chetan Bhagat and Vidhu Vinod Chopra where Mr. Bhagat was aggrieved by the inadequacy of the credits given to him in the film *3 Idiots*.<sup>27</sup> The case was eventually settled.

If the filmmaker defaults, the author and his legal heirs can sue him under the provisions of the Copyright Act claiming violation of moral rights. Moral rights are not assignable. The Indian courts are yet to opine on whether the same can be waived.

## C. Biopic Films

Biopic films are films based on the life of a person. We have seen successful biopic films based on famous and renowned Indian personalities, such as *Sardar* (Sardar Vallabh Bhai Patel, a leader who played a big role in fighting for Indian Independence), *Bose - The Forgotten Hero* (Netaji Subhash Chandra Bose, a leader who played a big role in fighting for Indian

24. *Ibid*

25. *Mansoob Haider v. Yashraj Films Pvt Ltd & Ors.*, Suit 219/2014, Bombay High Court.

26. *NRI Film Production Associates Pvt. Ltd. v. Twentieth Century Fox Film Corporation & Anr.*, 2005 (1) KCCR 126

27. *Five Point Someone to 3 Idiots no one: Chetan cries*, Chopra angry, dated January 2, 2010. Available at: <http://archive.indianexpress.com/news/five-point-someone-to-3-idiots-no-one-chetan-cries-chopra-angry/562415/>. Last visited: September 1, 2014.



Independence) and Rang Rasiya (Raja Ravi Varma, Indian painter), In the recent past, biopic films such as *The Dirty Picture* (Vijayalakshmi Vadlapati, a south Indian actress), *Bhaag Milkha Bhaag* (Milkha Singh, a renowned Indian athlete), *Paan Singh Tomar* (Paan Singh Tomar, an Indian athlete), *Mary Kom* (Mary Kom, a famous Indian boxer) and *Shahid* (Shahid Azmi, a lawyer and human rights activist) have attained a significant amount of success<sup>28</sup> However, we have seen that some biopic films have stirred controversy due to various reasons such as invasion of the person's privacy or the privacy of his/her family; or even when such depiction of the person's life is inaccurate and even resulting in injury to the reputation and goodwill of the person.

In 2013, a case was filed by the wife of the Late Veerapan<sup>29</sup> seeking an injunction restraining the exhibition, release and exploitation of the film *Vana Udham* which portrayed the life of the Late Veerapan and his family. The court acknowledged the position of law - that each individual has the right to privacy as a fundamental right under the Constitution of India. The production company agreed to delete certain scenes in the movie pursuant to which the court held that the movie (after the deletion of scenes) was not an invasion or violation of Veerapan and his family's right to privacy as the movie was based on police records.

Another recent interesting case on this point was the Delhi High Court order concerning the film *Gulaab Gang* where the court granted an interim injunction against the release of the film starring popular Bollywood actresses Madhuri Dixit and Juhi Chawla. The court observed that the film was based on the life of the plaintiff, Sampat Lal and her organization named Gulabi Gang. The court found similarities between

the name and characters of the plaintiff's organization and the name and characters of the film. For example, characters in the film wore pink sarees and held long sticks, similar to the people in the plaintiff's organization. The organization of the plaintiff did not operate as a gang and did not use any weapons. However, as depicted in the promos of the film, the life of the plaintiff had been portrayed in a horrific manner wherein the plaintiff was depicted to be an antisocial personality and was shown in action with swords and sickles. The court found this depiction of the plaintiff to be defamatory and that if the movie was to be released, the plaintiff would suffer irreparable losses.<sup>30</sup> The court later cleared the film for release, on the condition that a disclaimer was to be inserted stating that the film was not based on the plaintiff's life or her organization.<sup>31</sup>

## V. Infringement of other IP Rights

The content displayed in some films may violate the IP rights enjoyed by other individuals or entities. This may be through certain products displayed in the film or spoken about in dialogues in the film. Such depiction or dialogues may be injurious to the goodwill and reputation of such products or services and the owner of the IP of such products or services.

Recently, the Delhi High Court ruled that the infringement of a trade mark can be caused by spoken words and visual depiction of the same in the form of presentation in a movie<sup>32</sup> In this case, a dialogue in the film *Yeh Jawaani Hai Deewani* was found to infringe the trade mark of a popular brand of sharbat called 'Roohafza' under section

28. *Top 10 Best Biopic Movies of Bollywood*, Available at: <http://www.filmmykeeday.com/biopic-movies-of-bollywood/>. Last visited: September 3, 2014.

29. Veerapan was an Indian dacoit killed by the Tamil Nadu Special Task Force in 2004. He was a notorious criminal accused for poaching animals, smuggling sandalwood and killing approximately 184 people. He is famously known for kidnapping famous Indian actor Rajkumar in 2000 and holding him hostage for more than 100 days.

30. *Sampat Pal v. Sahara One Media and Entertainment Ltd and Ors.*, CS(OS) 638/2014, Delhi High Court. Available at: [http://delhihighcourt.nic.in/dhcqrydisp\\_o.asp?pn=48083&ytr=2014](http://delhihighcourt.nic.in/dhcqrydisp_o.asp?pn=48083&ytr=2014). Last visited: September 11, 2014.

31. *Delhi High Court clears release of 'Gulaab Gang'*, dated: March 6, 2014. Available at: <http://blogs.reuters.com/india/2014/03/06/delhi-high-court-clears-release-of-gulaab-gang/>. Last visited: September 12, 2014.

32. *Hamdard National Foundation & Anr. v. Hussain Dalal & Ors.*, 202 (2013) DLT 291

29(9)<sup>33</sup> of the Trade Marks Act, 1999 (“**TM Act**”). The court found that an infringement of a trade mark under Section 29(9) may be caused by way of spoken use of the words contained in the trade mark and their visual representation. Further, as a test for adjudging possible infringement, such spoken words may cause infringement if it is

a misstatement or causes confusion, or dilutes the distinctive character and repute of the trade mark, whether intentional or unintentional. Since the film had already been released to the public, the court ordered that such dialogue be removed from the home video version along with other formats which were yet to be released.

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33. Section 29(9) of the TM Act:

*Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.*

## 4. Protecting & Securing the Title of the Film

The title of the film is one of the key assets of the film. A film is usually tentatively titled at the pre-production stage and procures a definite title at a later stage. The title of a film has been one of the most disputed aspects of a film in recent years.

While popular titles can rake in the profits at a box office, in the recent past we have seen a number of cases where a new film is released using the name of an older and highly popular film, sometimes for the purpose of using the secondary meaning acquired in such a title as a sort of goodwill, and sometimes merely as a descriptor / term that is a part of the title of the new film. With an increasing number of such films being taken to court with claims of infringement of trademark in the title, we have seen that the courts in India have also begun to take a serious and more sophisticated approach to such cases over the past few years.

### I. Registration with Industry Associations

As in the case of scripts, the Indian film industry has developed the practice of registering titles with societies or associations like Indian Motion Pictures Producers Association (IMPPA), the Film and Television Producers' Guild of India, the Association of Motion Pictures and Television Programme Producers (AMPTPP) and Western India Film Producers' Association. The film industry, as a general rule, has great reverence for these associations and follows their rules and regulations. Usually, only the members of an association can apply for the title registration with that association. Each association, typically, cross checks the database of the other association before granting registration, so as to avoid any overlap in the titles registered. However, registration with societies and associations does not have any legal sanctity, except that the courts may take cognizance of the registration to ascertain the first user/adopter of the title. Associations allow suffixes and prefixes

(including tag lines) to distinguish between the film titles. Around 2009, Anil Kapoor's project *Shortcut* ran into trouble when producer Bikramjeet Singh Bhullar raised objections that he had registered the title *Shortcut* with the film associations much before the former had even conceived of the project. Kapoor quickly remedied the situation and changed the title of his film to *Shortcut: The Con is On*.

### II. Protecting the Title under the Umbrella of Intellectual Property Laws

#### A. Copyright Protection

The Indian Courts have taken a uniform view, like the U.S. Courts, that the title alone cannot be protected under copyright law. Only in exceptional cases, there may be scope for copyright protection.

#### B. Trademark

In general, titles are protected according to the fundamental tenets of trademark and unfair competition law. In India, a title of a film may be registered under class 41 of Schedule 4 of the TM Act.<sup>34</sup> For example, Yash Raj Films Pvt. Ltd. has filed applications<sup>35</sup> for trade mark registrations for *Dhoom Machale*<sup>36</sup> (song), *Dhoom*,<sup>37</sup> *Dhoom 2*,<sup>38</sup> *Dhoom 3*<sup>39</sup> and *Dhoom 3: Back in Action*<sup>40</sup>; while Vinod Chopra Productions has obtained a registered trade mark for the label of Munna

34. India follows the Nice Classification of trade marks established under the Nice Agreement 1957.

35. As viewed on September 10, 2014 on the Trade Mark Registry Public Search website. Available at: <http://ipindiaservices.gov.in/tmrpublicsearch/frmmain.aspx>

36. *Ibid.* Trade Mark Application Number: 2493345

37. *Ibid.* Trade Mark Application Number: 2474055

38. *Ibid.* Trade Mark Application Number: 2474127

39. *Ibid.* Trade Mark Application Number: 2193798

40. *Ibid.* Trade Mark Application Number: 2095311

*Bhai MBBS*<sup>41</sup> and the device of *Munna Bhai*<sup>42</sup> Film titles can be segregated into two categories: the titles of a series of films and the title of a single film. Particular examples of well-known Indian film series titles are *Hera Pheri & Phir Hera Pheri*, *Dhoom & Dhoom II* and *Munna Bhai MBBS & Lage Raho Munna Bhai*. In case of single film titles, it must be proven that such a title has acquired a wide reputation among the public and the industry and has acquired a secondary meaning. Secondary meaning in layman's terms means that the average movie goer associates the title with a certain source, production house, etc. and there would be a likelihood of confusion in the mind of such person if the title is used by another person for a different film. Even pre-release publicity of the title may cause the title to acquire sufficient recognition and association with its owners to give a secondary meaning to the title of the film. Typically, the courts look at the following factors for contribution towards creation of secondary meaning for the title:

- the duration and continuity of use;
- the extent of advertisement and promotion and the amount of money spent;
- the sales figures on purchase of tickets and the number of people who bought or viewed the owner's work; and
- closeness of the geographical and product markets of the plaintiff and defendant.

### C. Registration of Titles as Trademarks

Under the TM Act, film titles qualify as 'service marks'<sup>43</sup> rather than trademarks. They fall under Class 41 of the Fourth Schedule of the Trade Marks Rules, 2001. To ensure that one has the exclusive right to the title and that it is completely protected by law, it is advisable to register it as a service mark under the TM Act.

41. *Ibid.* Trade Mark Application Number: 1780467

42. *Ibid.* Trade Mark Application Number: 1780364

43. Section 2(1)(z) of the TM Act, 1999

The registration of a trademark constitutes prima facie validity of the same in legal proceedings.<sup>44</sup>

A fine example of the benefits of the registration of title as a trademark is perhaps the *Sholay* case. In 2007, Sascha Sippy, grandson of GP Sippy (producer of the 1975 blockbuster film), approached the Delhi High Court alleging copyright and trademark infringement by director Ram Gopal Varma. Varma had produced the film titled *Ram Gopal Varma ke Sholay*, and also used the character names from the original film, *Sholay*. *Sholay* was one of the most popular movies in India during its time and has become a household name where the audience associates the title with the Sippys, thereby giving it a secondary meaning. They have not only obtained trademark registration for the title of the film *Sholay* but have also registered the character names 'Gabbar' and 'Gabbar Singh'. After months of legal battle between the parties, Ram Gopal Varma finally agreed to change the title of his film to *Ram Gopal Varma ke Aag*. He also agreed to refrain from using any of the names of the characters from the original story.

The issue of registered trade marks being used as film titles was brought into the news again towards the end of 2013. Sohail Khan's film titled *Jai Ho* starring Salman Khan which was to be released in January 2014 raised concerns as renowned musician A. R. Rahman claimed that he owned the registered trade mark to the title of his song *Jai Ho*,<sup>45</sup> that appeared in the finale of *Danny Boyle's Slumdog Millionaire* - a film that won A. R. Rahman an Oscar for Best Achievement in Music Written for Motion Pictures, Original Song.<sup>46</sup> However, it was reported that A. R. Rahman and the film producer arrived at an out-of-court settlement<sup>47</sup> and the film was subsequently released on schedule.

44. Section 31 of the TM Act, 1999

45. *Supra* note 5.

46. *Slumdog Millionaire* (2008) – Awards, IMDb; Available at: <http://www.imdb.com/title/tt1010048/awards>. Last visited: August 27, 2014.

47. *Jai Ho* title song doesn't feature Salman Khan, dated: December 21, 2013. Available at: <http://timesofindia.indiatimes.com/entertainment/hindi/bollywood/news/Jai-Ho-title-song-doesnt-feature-Salman-Khan/articleshow/27680311.cms>. Last visited: September 12, 2014.



When considering an application for temporary injunction, the plaintiff has the burden of proving the *probable existence of secondary meaning* in the title of the film leading to the likelihood of confusion and likelihood of success at trial. Where the plaintiff cannot make a strong case of secondary meaning or the likelihood of confusion, a preliminary injunction, in all probability, will be denied. When a plaintiff introduces sufficient evidence on secondary meaning and the likelihood of confusion, the defendant's use of literary title needs to be preliminary enjoined. Registration of a trademark acts as an added advantage in such situations.

In another example of a dispute over the trademark in the title to a film, Warner Bros. attempted to restrain Mirchi movies from releasing their film, *Hari Puttar: A Comedy of Terrors* due to the phonetic and visual similarity of its title to that of the *Harry Potter* film series.<sup>48</sup>

The Delhi High Court, however, dismissed the application stating that a literate or semi-literate viewer could easily discern the two movies on the principle “*even if there is any structural or phonetic similarity between the competing marks, the real test to determine deceptive similarity is whether the targeted audience is able to discern the difference between the marks*”. The Delhi High Court also held that Warner Bros. had caused a three month delay in filing the case, and cited the principle that “*if the plaintiffs stood by knowingly and let the defendants build up their business or venture, then the plaintiffs would be estopped by their acquiescence from claiming equitable relief*”. This case also reiterates the Courts intolerance towards laches and delay in approaching the Court in case of film litigations.

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48. *Warner Bros. Entertainment Inc. and Ors. v. Harinder Kohli and Ors.*, 155 (2008) DLT 56

## 5. Protecting the Lyrics, Music and Recordings

In 2013, the Indian media & entertainment industry registered a growth of 11.8 per cent over 2012 and touched INR 918 billion. The industry is expected to register a CAGR of 14.2 per cent to touch INR 1786.8 billion by 2018.<sup>49</sup>

Currently, India is only the 14<sup>th</sup> largest entertainment and media market in the world with industry revenues contributing about 1% of its GDP. However, industry stakeholders understand and acknowledge that India has the potential to achieve path-breaking growth over the next few years; possibly to reach a size of USD 100 billion.<sup>50</sup>

Indian music comprises of different genres out of which film music dominates approximately 65 per cent of music sales in India and international music approximately 10-12 per cent.<sup>51</sup> Other music such as devotional and spiritual music, regional music and indie music also fairly contribute to music sales in India. In respect to film music, if exploited properly, this ensures a steady revenue flow beyond the typical box-office to the film producers.

### I. Intellectual Property in a Song

To a layman, a song would seem to be a single piece of melody. However, from a copyright law perspective, a song is a seamless integration of lyrical and musical works blended with the performances of singers and musicians into a sound recording. Each of these is protected under the Copyright Act.

49. FICCI-KPMG Indian Media and Entertainment Industry Report 2014, Available at: <https://www.kpmg.com/IN/en/Topics/FICCI-Frames/Documents/FICCI-Frames-2014-The-stage-is-set-Report-2014.pdf>. Last visited: September 2, 2014

50. Indian Entertainment & Media Outlook, 2012, Price Water House Coopers and Confederation of Indian Industries. Available at [http://cii.in/WebCMS/Upload/em%20version%202\\_low%20res.PDF](http://cii.in/WebCMS/Upload/em%20version%202_low%20res.PDF). Last visited: September 11, 2014.

51. FICCI-KPMG Indian Media and Entertainment Industry Report 2014, Available at: <https://www.kpmg.com/IN/en/Topics/FICCI-Frames/Documents/FICCI-Frames-2014-The-stage-is-set-Report-2014.pdf>. Last visited: September 2, 2014

#### Protection under the Copyright Act

- *The lyrics or the words in a song are protected as a piece of “literary work”.*
- *The musical compositions including background scores are protected as “musical works”. It means works consisting of music including any graphical notation of such work but does not include any words or any action intended to be sung, spoken or performed with the music, like lyrics of the songs.*
- *Sound recordings are protected, regardless of the medium on which such recording is made or the method by which the sounds are produced.*
- *“Performers Rights” subsist in the performances rendered by the singers, musicians and other artistes while recording the songs (including audio-visual) and are protected under the Copyright Act.*
- *The author is not permitted to assign or waive his right in a literary or musical work included in a sound recording but not forming part of a cinematograph film so as to receive royalties to be shared on an equal basis with the assignee of such copyright (except to the his legal heirs or to a collecting society for collection and distribution)*

### II. Ownership of the Intellectual Property in the Melody

As a general rule, the author of the copyrightable work is the first owner<sup>52</sup>, unless there is an agreement to the contrary or in case facts fall within the purview of the exceptions provided

52. Section 17 of the Copyright Act

under the Copyright Act.<sup>53</sup> The lyricist, composer and producer are considered the authors and thereby the first owners of the lyrics, musical compositions and sound recordings, respectively. However, Section 17 of the Copyright Act provides that if the work is created in the course of employment or for consideration, then the employer or the person so commissioning the work for consideration becomes the first owner of the copyrightable work.

### **Points to remember while negotiating Music contracts**

- *While negotiating the assignment agreement on behalf of the producer/sound recording house, it is important to procure adequate representations and warranties from the lyricists and musicians with respect to the originality of the music and lyrics in the assignment agreement.*
- *A corresponding indemnity provision should also be built in the agreement for any breach of these representations and in case of future third party disputes arising out of such breach.*

This aspect came up for discussions in a number of cases, including *Indian Performing Right Society Ltd. v. Eastern Indian Motion Pictures Association and Ors.*<sup>54</sup>, where the Supreme Court held that the producers of a cinematograph film who commission the works or create the works through composers or lyricists under a contract of employment, are the first owners of the copyright in musical and lyrical works forming a part of the cinematographic film. No copyright vests in the composer or lyricist unless there is a contract to the contrary between the composer/lyricist and producer of the cinematograph film. The trend previously followed by lyricists and composers, barring the likes of multi Academy Award winning composer A. R. Rahman, was to invariably assign all the rights subsisting in

their works to the producers for a fixed amount. This was largely due to the heavy bargaining power of producers in India.

However, a proviso to Section 17 has been introduced under the Copyright Amendment Act which provides an exception to the concept of ‘first owner’ of a work under section 17 (as described above), to the extent that the work incorporated in a cinematograph film, is protected as an original literary, dramatic, musical or artistic work under the Copyright Act – thereby protecting lyricists and composers by giving separate copyright in respect of a cinematograph film and in relation to original literary, dramatic, musical and artistic works that are contributed to a film.<sup>55</sup>

## III. Litigious Strains of Music

Music has always been the soul of Indian cinema and considerable time, energy and money is expended to create the same. Infringement of lyrics and music has long been the bone of contention in the Indian film industry. However, of late, the right holders have begun to approach the courts to seek justice and have contested the infringers fervently.

The Bombay High Court dealt with an interesting matter in relation to the film *Krazzy 4*.<sup>56</sup> Music composer Ram Sampath had alleged that the title song of the movie had been plagiarized from tunes he had composed earlier for an advertisement for Sony Ericsson and was extremely popular and known as “the thump”. Under the agreement between Sampath and the producer of the advertisement, the copyright in the musical composition/tune remained with Sampath and only a license was given to use the same in the advertisements for a period of one year. The defendants had obtained a no objection certificate from Sony Ericsson for using the tune. The Bombay High Court passed an order directing an injunction on any use of the song containing “the thump” tune and selling any

53. *Ibid*

54. *AIR 1977 SC 1443*

55. Sections 13, 14 of the Copyright Act, as amended by the Copyright Amendment Act.

56. *Ram Sampath v. Rajesh Roshan*, 2009 (2) MhLj 167

recordings of the same. This matter was finally settled out of court between the parties.

Similar to the cases of title and script infringement, the courts have rarely condoned delay in music infringement cases. For instance, in the case of *Gaurav Dayal v. Rabbi Shergill*.<sup>57</sup> singer Rabbi Shergill had moved the Delhi High Court just two days before the scheduled release of the film *Sorry Bhai* alleging that one of the songs in the movie was lifted from his album *Aveni Ja Nahin*. The Single Judge of the Delhi High Court restrained the producers of the film *Sorry Bhai* from releasing the soundtrack of the film because it was likely to injure the intellectual property rights of singer Rabbi Shergill. On appeal, however, in view of the delay in initiating the action i.e the gap between release of the music for the film and filing of the plaint, the division bench of the same court allowed the release of the soundtrack of the film, with the condition that the producers maintain accounts of the revenues and submit the same to the court.

Lyricists and music composers are not the only ones approaching the courts to safeguard their rights. Singer Neha Bhasin sued music director Anand Raj Anand and producers of the film *Aryan Unbreakable*<sup>58</sup> for not giving her credit in the song *Ek look Ek look* recorded by her. The Delhi High ordered the defendants to cease sale or distribution of all records of the song which did not give Ms. Bhasin due credit. By way of this order, the Delhi High Court ensured that the singers are given due credit and that their rights are protected. Further, the Copyright Amendment Act has ensured that authors of a work in cinematograph films including singers, composers, lyricists etc., can claim an equal share of the royalties for exploitation and commercial use of their works.<sup>59</sup>

## IV. Remixes & Cover Versions - are they Legal

Remixes are popular in India, and several Indian music producers are known to borrow heavily from old film songs as well as western music, without obtaining the required licenses. It is also a common practice in the film industry to make cover versions of existing songs. An issue that arises is whether making a cover version or remix of an existing song violates the copyright in the song.

The Copyright Act provides that cover versions of a sound recording can be made 5 (five)<sup>60</sup> calendar years after the end of the year in which the first sound recording was made after satisfying conditions specified in the Copyright Act. Further, no alterations can be made to the original sound recording without obtaining the consent of the owner. The Copyright Act also provides that unless the Copyright Board prescribes otherwise, royalty in respect of sound recordings are required to be paid for a minimum of fifty thousand copies of each work during each calendar year in which copies of it are made. The Copyright Rules, 2013 (“**The Copyright Rules 2013**”) also provides certain conditions that must be followed while making a cover version.<sup>61</sup> If the cover versions are made in accordance with the provisions of the Copyright Act then it does not amount to infringement.

Similar provisions do not exist in relation to remixes. However, in case of remixes, the test of substantial copying of the song shall be applied.<sup>62</sup> Though this is a subjective test, a remix would be considered infringement if the average audience is likely to associate the remix song with the original song. Hence, if the remix of a song (that partakes substantially from the original song) is made without the

60. Section 31C of the Copyright Act, as amended by the Copyright Amendment Act.

61. Rule 24 of the Copyright Rules 2013.

62. *The Freedom to Copy: Copyright, Creation, and Context* – University of California, Davis available at [http://lawreview.law.ucdavis.edu/issues/41/2/articles/davisvol41no2\\_arena.pdf](http://lawreview.law.ucdavis.edu/issues/41/2/articles/davisvol41no2_arena.pdf). Last visited: September 11, 2014.

57. 2009 (39) PTC 205 (Del)

58. *Neha Bhasin v. Anand Raj Anand*, 132(2006)DLT196

59. Section 19 of the Copyright Act, as amended by the Copyright Amendment Act.

permission of the owner, the remixed version will be considered to have violated the copyright in the original sound recording, as well as the underlying lyrical and musical works.

Often, such remixes attract claims of copyright infringement and it is important for music composers to take due care while creating new versions of old songs. Indian producers and composers are also increasingly becoming aware of their rights and have started taking steps for the recovery of damages in cases of infringement.

Bappi Lahri, the famous music composer, filed a suit in the US against Universal Music & Video Distribution Corporation, Interscope Records, Aftermath Records and others for unauthorized use of an excerpt from one of his musical compositions *Thoda Resham Lagta Hain* in the popular song titled *Addictive* and failure to credit his authorship. The Federal judge in Los Angeles, California, in response to the lawsuit, prohibited further sales of the song *Addictive* until Lahiri was listed on the song's credits. Saregama India Ltd., the Mumbai based film and music company which was assigned the copyright in the song *Thoda Resham Lagta Hain* by the producer of the film which contained it, followed his trail and filed a separate copyright infringement suit. The US Court consolidated both the suits, and eventually passed a subsequent judgment holding that the exclusion of Bappi Lahiri's name from the credits did not amount to 'unfair competition' and therefore, set aside its previous order which required the defendants to give credit to Bappi Lahiri's authorship in the song.<sup>63</sup> As far as Saregama was concerned, the defendants settled the matter with them.

With the increasing awareness of litigation, many producers have officially started buying the rights or procuring licenses to use old songs and lyrics in their films. For instance, famous Indian film producer Karan Johar obtained the rights to use the Elvis Presley classic *Jailhouse Rock* as a part of a song in his film *We are Family*.

63. As stated in *Bappi Lahri and Ors. v. Universal Music and Video Distribution Corporation and Ors*, US Court of Appeals for Ninth Circuit, Case No. No. 09-55111. Available at: <http://www.ca9.uscourts.gov/datastore/opinions/2010/06/07/09-55111.pdf>. Last visited: September 11, 2014.

## V. New Media

With the revolution of digital media technology and the Internet, music is now increasingly shared and streamed through websites which allow a user to transfer, listen to and watch copyrighted works. As discussed above, the Indian Government has approved accession to the Internet Treaties on July 4, 2018. The Indian Courts have come down strictly on infringers of intellectual property on the Internet. In the case of T-Series against YouTube in 2007<sup>64</sup>, T-Series obtained an interim injunction against YouTube and Google from showing copyrighted material belonging to T-Series without a license or permission. They claimed that these websites, by hosting such content, benefited monetarily without paying the copyright owners any royalty.

In addition to copyright law, we also have the Information Technology Act, 2000 ("IT Act"), which provides for protection against certain internet / technology related offences and claims. Section 79 of the IT Act exempts websites from liability of infringement for user generated content. However, if the website has a filtering mechanism or some other form of controlling the content it hosts, it shall not be exempt from liability. The High Court of Delhi has recently ruled that social networking sites (SNS) such as YouTube, MySpace etc. may be held liable for copyright infringement caused due to infringing material posted on such websites, if it is shown that such intermediaries had control over the material posted, had the opportunity to exercise due diligence to prevent the infringement and derived profits out of such infringing activities.<sup>65</sup> In such cases, a defense that an intermediary is not liable for the third party activities on the website is also not of assistance because Section 79 of the IT Act has to be read in conjunction with Section 81 of the IT Act, which makes it clear that though the provisions of the IT Act may override other laws

64. *Super Cassettes Industries Ltd. v. Yahoo Inc. & Anr.* C.S. (O.S.) 1124/2008, Delhi High Court.

65. *Super Cassettes Industries Ltd. v. Myspace Inc. & Anr.*, IA No.15781/2008 & IA No. 3085/2009 in CS (OS) No. 2682/2008, Delhi High Court.



for the time being in force, they cannot restrict the rights of the owner under the Copyright Act.

However, the Copyright Amendment Act, has also brought in protections akin to those of the IT Act, with the acts of “*transient or incidental storage of a work or performance purely in the technical process of electronic transmission or communication to the public*”, and “*transient or incidental storage of a work or performance for the purpose of providing electronic links, access or integration, where such links, access or integration has not been expressly prohibited by the right holder...*” being specifically listed as acts that do not amount to infringement. While these exemptions will largely benefit intermediaries on the internet, it is important to note that the Copyright Act also prescribes a notice and take down procedure, which must be implemented where the person engaging in such transient or incidental storage of a work receives notice that any such work infringes the copyright of a person.

## VI. Debate on the Right to Claim Royalty in Relation to Underlying works / Publishing Rights

Prior to the notification of the Copyright Amendment Act, there were divergent views with regard to the issue of claim of royalty by owners of publishing rights (i.e. rights subsisting in lyrics and musical compositions), when a sound recording is broadcast or communicated to the public. On one hand, the Madras High Court<sup>66</sup> had held that owners of publishing rights should be entitled to royalty payment even if the right of sound recording has been assigned to the music or film producer. On the other hand, the Bombay High Court<sup>67</sup> had held that no such payment to music composers and lyricists is required if the music composer and lyricist voluntarily transfer sound recording

rights to a producer. Any public broadcast subsequent to such assignment would fall under the purview of copyright to broadcast sound recording to the public.

The amendment has given some clarity on this issue. The Copyright Amendment Act ensures that authors of underlying works (eg music composers and lyricists) continue to receive royalties for the utilization of their work in any form (other than for the communication to the public of the work along with the cinematograph film in a cinema hall).<sup>68</sup>

## VII. The Aditya Pandey Case

In the case of *International Confederation of Societies of Authors and Composers v Aditya Pandey & Ors*,<sup>69</sup> the Supreme Court upheld the decision of the division bench of the Delhi High Court in *IPRS v Aditya Pandey & Ors*<sup>70</sup> and *IPRS v CRI Events & Ors*.<sup>71</sup>

The main issue involved in the appeal to the Supreme Court is as follows, “*Where lyric written by ‘X’ (lyricist) and music composed by ‘Y’ (musician) are used to make sound recording by ‘Z’ (Sound Recording Company), whether ‘A’ (Event Management Company/ Event Organizer) is required to seek license from ‘X’ and ‘Y’ for subsequently playing the song in public even after ‘A’ had paid for the broadcasting of the song to ‘Z’ (Sound Recording Company)?*”

The division bench of the Delhi High Court had held that when a literary or musical work is incorporated in a sound recording, the rights in the literary and musical works (i.e. the lyrics and music) are effectively assumed by the owner of the rights in the sound recording. As such, if one were to publicly play a sound recording, one would only need to acquire the permission of the owner of the rights in the sound recording and not the permission of the owners of the rights in the underlying works.

66. *The Indian Performing Rights Society Limited, v. The Muthoot Finance Private Limited*, 2010 (42) PTC 752 (Mad).

67. *Music Broadcast Private Limited v. Indian Performing Right Society Limited*, Suit No. 2401 of 2006, Bombay High Court.

68. Section 18 and 19 of the Copyright Act as amended by the Copyright Amendment Act.

69. Civil Appeal Nos. 9414-9415 of 2016 (Arising out of S.L.P.(c) nos. 21082-21083 of 2012)

70. (FAO(OS) No.423-424/2011)

71. (FAO(OS) No.425/2011 and CM No.19128/2011)

IPRS, being the Appellant contended that authors of literary work and composers of musical work are the first owners of copyright in lyric and musical work respectively under the Copyright Act, and resultantly they can restrain the event management company (Respondent) from infringing their copyright. Therefore the license given to the sound recording company does not affect the rights of lyricist or the musician.

Reference was made to the definition of expression “communication to the public” defined under Section 2(f) of the Copyright Act 38 and that of ‘performance’ defined in Section 2(q) of the Copyright Act. 39 Further, reference was made to the amendment introduced in 1994 in the Copyright Act, 1957 and it was pleaded that the right created under Section 14(a)(iv) of the Copyright Act 40 cannot be read in derogation of right created under Section 14(a)(iii) of the Copyright Act. Additionally, it was contended that the judgment of the Delhi High Court stands in direct conflict with India’s obligations under the Berne Convention and the TRIPS Agreement and it effectively places India out of step with international copyright norms and practice. The Respondent on the other hand contended that the amendment made in the Copyright Act, 1957, in the year 2012, states that the producer of sound recording has an independent copyright of his work. It relied effectively on the judgment of the Supreme Court in, *Indian Performing Right Society Ltd. v. Eastern Indian Motion Pictures Association*<sup>72</sup> wherein it was held that “once the author of a lyric or a musical work parts with a portion of his copyright, by authorizing a film producer, or producer of sound recording in respect of his work, a right exists with the latter to exhibit his work to the public.”

The Supreme Court affirmed the decision of the division bench of the Delhi High Court and held that when a literary or musical work is incorporated in a sound recording, the rights in the literary and musical works (i.e. the lyrics and music) are effectively assumed by the owner of the rights in the sound recording. As such, if one were to publicly play a sound recording, one

would only need to acquire the permission of the owner of the rights in the sound recording and not the permission of the owners of the rights in the underlying works.

However, one of the judges in the division bench, Justice Gogoi went on to hold that since the appeals were from an interim order, ‘*all observations, findings, and views expressed by the High Court in the original as well as appellate proceedings before it were of ‘no legal effect, whatsoever, insofar as the merits of the suit are concerned*’ and ordered that the High Court of Delhi hear and dispose of the suit within one year (i.e., one year from September 20, 2016). Vide order dated April 5, 2018, however, the High Court of Delhi dismissed the case, since the plaintiff (IPRS) had failed to lead any evidence, after the time period for filing evidence was closed.

Accordingly, the issue of whether, a separate license/permission is required to be obtained from the underlying rights owners when such license has already been obtained from the producer of a sound recording, remains open.

## VIII. Management of Rights Through Copyright Societies

Copyright Societies (or Collecting Societies) are statutory bodies established under the provisions of the Copyright law. The main function of a Copyright Society is<sup>73</sup> in order to effectively administer rights of the copyright owners.<sup>74</sup>

73. Section 33 and 34 of the Copyright Act

74. Section 34 of the Copyright Act: Administration of rights of owner by copyright society

(1) Subject to such conditions as may be prescribed.–

(a) a copyright society may accept from an author or other owner of rights exclusive authorisation to administer any right in any work by issue of licences or collection of licence fees or both; and

(b) author or other owner of rights shall have the right to withdraw such authorisation without prejudice to the rights of the copyright society under any contract.

(2) It shall be competent for a copyright society to enter into agreement with any foreign society or organisation administering rights corresponding to rights under this Act, to entrust to such foreign society or organisation the administration in any foreign country of rights administered by the said copyright society in India, or for administering in India the rights administered in a foreign country by such foreign society or organization;

72. 1977 SCR (3) 206

They act as a single point of contact for assigning/licensing the rights subsisting in the works in the members' repertoire and collect royalties on behalf of them. The Copyright Amendment Act brought about an amendment by virtue of which the business of issuing or granting license in respect of literary, dramatic, musical and artistic works incorporated in a cinematograph film or sound recordings shall now be carried out only by a registered Copyright Society, thereby making the role of the Copyright Societies pivotal.<sup>75</sup>

Copyright societies are required to have governing bodies consisting of equal number of authors and owners of work for the purpose of administration of the society. They collect the license fee or royalties on behalf of its members, which is then conveyed to the members after making deductions for the expenses borne by the society for collection and distribution. Every copyright society is specifically required to publish its tariff scheme setting out the nature and quantum of royalties it proposes to collect in respect of rights administered by them. Any person who is aggrieved by the tariff scheme may appeal to the Copyright Board and the Copyright Board may, if satisfied after holding such inquiry as it may consider necessary, make such orders as may be required to remove any unreasonable element, anomaly or inconsistency therein. However, the aggrieved person is required to pay to the copyright society any fee as may be prescribed that has fallen due before making an appeal to the Copyright Board, until the appeal is decided. The Copyright Board has no authority to issue any order staying the collection of such fee pending disposal of the

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*Provided that no such, society or organisation shall permit any discrimination in regard to the terms of licence or the distribution of fees collected between rights in Indian and other works.*

- (3) Subject to such conditions as may be prescribed, a copyright society may—
- (i) issue licences under section 30 in respect of any rights under this Act;
  - (ii) collect fees in pursuance of such licences;
  - (iii) distribute such fees among owners of rights after making deductions for its own expenses;
  - (iv) perform any other functions consistent with the provisions of section 35.

75. Section 33(1) of the Copyright Act as amended by the Copyright Amendment Act.

appeal. The Copyright Board may after hearing the parties fix an interim tariff and direct the aggrieved parties to make the payment accordingly pending disposal of the appeal.

The main Copyright Societies vis-à-vis music have been the Indian Performing Rights Society Limited (“IPRS”) and the Phonographic Performance Ltd. (“PPL”). In order to better protect their rights, post the Copyright Amendment, a new copyright society called the Indian Singers Rights Association, has been registered to in order to collect royalties for performances of singers.

India also has a peculiar situation where some of the music labels having substantial repertoire are not members of PPL, including Yash Rj Films and Super Cassettes Ind. Ltd. (owner of the label T-Series) whose radio broadcast rights are not administered by PPL, they handle all their licensing individually.

In general, Copyright Societies have been very active in filing suits for injunctive reliefs against infringers of rights of their members and recovering damages. For instance, during new years, religious festivals, songs are broadcasted or sung at various public places. Moreover, IPRS has sent legal notices to several malls, hotels and restaurant chains including the Sankalp Group of Hotels and the Neelkanth Group in Ahmedabad and Mumbai for playing copyrighted music commercially in violation of the licensing norms of performing rights in musical works during the garba festival.<sup>76</sup> In one instance among others, in a suit filed by the IPRS, a Chandigarh District Court passed ex parte orders against a hotel and temporarily restrained the hotel from playing musical works on its premises.<sup>77</sup>

The *locus standi* of Copyright Societies to institute suits for infringement of copyright

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76. *Licensing bodies gear up for Navratri*, dated: September 14, 2009. Available at: <http://www.radioandmusic.com/content/editorial/news/licensing-bodies-gear-navratri>, Last visited: September 10, 2014

77. *The Indian Performing Rights Society Limited v. M/s AMG Hotels Pvt. Ltd. & Anr.*, C.S. 10618/2013. Court of the Learned District Judge, Chandigarh.



seeking injunction, damages etc. was challenged in a suit before the Delhi High Court. But the Court ruled in favor of such Societies holding that the very object of providing for such Copyright Societies was not only to administer the license regime and recovery of fee in a better manner but also to prosecute claims for infringement. The vesting of Copyright Societies with the right to institute and carry forward infringement suits is a primary step towards ensuring effective enforcement of rights by these Societies in these works.

## IX. Compulsory Licensing of Published and Unpublished Content

The Copyright Act provides for compulsory licensing of certain copyrighted works in certain circumstances and has granted the power to the Copyright Board to grant such a license and fix royalties.

*i. Some of the circumstances under which a compulsory license may be granted are as follows:*

- When the owner of the copyright refuses to republish his work, or perform his work in public and by reason of such refusal the work is withheld from the public<sup>78</sup>;
- When owner of the copyright refuses broadcast of his work or work contained in a sound recording<sup>79</sup>;
- When the author is dead or unknown or cannot be traced, or the owner of the copyright in such work cannot be found<sup>80</sup>

78. Section 31(1)(a) of the Copyright Act.

79. Section 31(1)(b) of the Copyright Act.

80. Section 31A(1) of the Copyright Act.

If the translation of a foreign literary or dramatic work is required for purposes of teaching, scholarship and research<sup>81</sup>;

- For translation of any literary or dramatic work<sup>82</sup>;
- For translation of text incorporated in audio-visual fixations prepared and published solely for the purpose of systematic instructional activities<sup>83</sup>;
- After the expiration of the relevant period<sup>81</sup> from the date of the first publication of an edition of a literary, scientific or artistic work, if <sup>84-</sup>
- the copies of such edition are not made available in India<sup>85</sup>;
- such copies have not been put on sale in India for a period of six months to the general public<sup>86</sup>; and
- where such work is connected with systematic instructional activity, if it is not priced reasonably related to price normally charged in India<sup>87</sup>.

In the year 2010, the Board passed a landmark order and settled the long standing royalty dispute between private FM radio stations and music companies represented by PPL. The Board, through its order dated August 25, 2010<sup>88</sup>, granted a compulsory license to the FM radio companies for all works falling in the repertoire

81. Section 32(1A), Proviso to Section 32(1A) and Section 32(5)(a) of the Copyright Act.

82. Section 32(1) of the Copyright Act

83. Section 32(5)(b) of the Copyright Act.

84. Section 32A(6) of the Copyright Act:

“relevant period”, in relation to any work, means a period of seven years from the date of the first publication of that work, where the application is for the reproduction and publication of any work of, or relating to, fiction, poetry, drama, music or art; Three years from the date of the first publication of that work, where the application is for the reproduction and publication of any work of, or relating to, natural science, physical science, mathematics or technology; and Five years from the date of the first publication of that work, in any other case.

85. Section 32A(1)(a) of the Copyright Act.

86. Section 32A(1)(b) of the Copyright Act.

87. *Ibid*

88. *Music Broadcast Pvt. Ltd & Ors. v. Phonographic Performance Ltd*; dated August 25, 2010, Copyright Board.

of PPL and made royalty payable by them to music companies at par with international standards. This decision of the Court has now been enumerated in the Copyright Act through the Copyright Amendment Act. The Copyright Act provides that any broadcasting organization desirous of communicating to the public any

literary or musical work which has already been published may do so by paying royalty to the copyright owner. The royalty rates are to be fixed by the Copyright Board and detail procedures to be followed are further given in the Copyright Act.<sup>89</sup>

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89. Section 31A(5) of the Copyright Act.

## 6. Infringement of Copyright and Piracy

### I. Infringement of Copyright

With respect to each type of copyrighted work, the Copyright Act recognizes certain rights. When they are violated, the owner of the rights can sue for infringement by filing a civil suit and claim injunctive reliefs and damages. Criminal remedies are also available in case of copyright infringement, but which are exercised typically in matters of piracy. In a civil suit, a separate application is required to be initiated to seek interim injunction i.e. injunction granted pending final outcome of the suit. As such, interim reliefs can be obtained within 24 – 48 hours from filing of the suit, if a prima facie case, urgency, balance of convenience and comparative hardship can be established in favor of the plaintiff. Copyright infringement may relate to script, musical works, remake rights, or distribution rights.

In the recent past, the courts have become extremely cautious of vexatious litigations or litigations that are delayed despite knowledge of infringement. Often, the courts have dismissed the petitions on the grounds of laches and have termed such petitions as an attempt to garner publicity. Therefore, it is important for the plaintiff to avoid any delay and to approach the court immediately upon learning of such infringement.

Piracy of copyright is a phenomenon prevalent worldwide and can be in the form of illegal distribution, exhibition, copying, downloading, or uploading. Piracy causes huge losses, not only to the owners of copyright but to the industry and the economy as a whole. Despite recent stringent measures taken by the government, India is, unfortunately, among the top five countries in the world, in terms of piracy.<sup>90</sup>

The problem of piracy has increased with rapid advances in digital media technology. New technological solutions along with the

worldwide reach of the Internet are making it easy for the pirates to carry on their illegal activities. Increase in the number of file-sharing networks and portals have also increased infringements by the consumers themselves.

Major Indian players have come together and formed the Alliance against Copyright Theft (“AACT”) to fight piracy. The alliance has Reliance Big Entertainment, Moser Baer Entertainment, UTV Motion Pictures, Eros International and the Movie Producers and Distributors Association (“MPDA”) as its members. The AACT has conducted multiple successful raids in Mumbai and Gujarat.

### II. Legal Framework for Countering Counterfeiting and Piracy

#### A. Strong Intellectual Property Laws

The Indian laws governing intellectual property rights are compliant with the global standards set out in the TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement. The Copyright Act provides for both civil and criminal remedies in case of copyright infringement. The police have the power of search and seizure to the benefit of the IP owners in cases of copyright infringement. Even the judiciary has proactively taken steps to curb piracy, by imposing punitive damages on offenders in civil matters and granting injunction in *qua timet* (anticipatory) actions. To ensure speedy delivery of justice in IP infringement matters, the Supreme Court of India has directed all subordinate courts in India to decide IP disputes within four months<sup>91</sup>

90. PwC - India Entertainment and Media Outlook 2011, July 2011. Available at: [http://www.pwc.in/en\\_IN/in/assets/pdfs/publications-2011/India\\_Entertainment\\_and\\_Media\\_Outlook\\_2011.pdf](http://www.pwc.in/en_IN/in/assets/pdfs/publications-2011/India_Entertainment_and_Media_Outlook_2011.pdf). Last visited: September 11, 2014.

91. *Bajaj Auto Limited v. TVS Motor Company Limited*, Civil Appeal No. 6309 of 2009 arising out of S.L.P.(C) No. 13933 of 2009, Supreme Court of India.

Although Indian laws on IPRs are strong, often the actual court cases in India take twelve to sixteen years to reach a final hearing. Therefore, it becomes crucial for the aggrieved IP holder to obtain some temporary relief pending final decision of the court. A variety of ad-interim and interim reliefs can be availed by the aggrieved IP holder before Indian courts, including injunctions, Mareva Injunctions, appointment of the commissioner or the court receiver, Anton Piller orders, John Doe (Ashok Kumar) orders, and other orders such as discovery and inspection, or orders for interrogatories. The grant of such reliefs usually takes a couple of days from the day of making the application before the Court.

## B. The Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007

The Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 (IPR Border Rules) empowers the Central Government to prohibit the import of goods that infringe IPRs. There has been a notification in force since January 18, 1964, prohibiting import of goods infringing trademarks and design. The new IPR Border Rules expand upon the subject of the 1964 notification and prohibit the import of goods infringing patents, copyrights and geographical indications as well. For the smooth implementation of the evolving IPR regime, the IPR Border Rules provides for the establishment of an IPR Cell at each Customs House which is vested with the responsibility of verifying the applications, providing web-enabled registration formalities and corresponding with the risk management division and other Customs bodies.

## C. The MPDA, Goonda Acts and other Efforts

The Maharashtra government had notified an ordinance to curb audio-video piracy, prescribing preventive detention and equating IPR pirates with drug offenders under the Maharashtra Prevention of Dangerous Activities (MPDA) Act, 1981. The MPDA allows the police to place offenders or potential offenders in

detention for as long as 3 months without bail, and up to a maximum of 12 months.<sup>92</sup> The power of preventive detention has been found to be constitutional<sup>93</sup>, but is subject to strict procedural safeguards.<sup>94</sup>

In addition, the States of Tamil Nadu, Karnataka and Andhra Pradesh also equate pirates and counterfeiters, inter-alia, with bootleggers and drug offenders and punish them with imprisonment up to a maximum of 12 months under the respective applicable State laws, which are colloquially referred to as the 'Goonda Acts'. It is notable to mention the efforts made by the Tamil Nadu police in combating piracy and identifying and investigating piracy related cases. In 2009, a total of 2,204 cases were registered by the Tamil Nadu Police under different heads of offences like seizure of DVD / VCD / ACD cases, cable TV operators etc.<sup>95</sup> In 2010, 2690 cases of piracy were detected by the Tamil Nadu Police, 1,122 people were arrested in connection to piracy and pirated CDs / VCDs worth INR 44.8 million were seized.<sup>96</sup> With continued enforcement efforts, in 2013, the Video Piracy Cell of the State police conducted surprise checks across Tamil Nadu and seized DVDs containing pirated versions of latest Tamil movies and DVD writers worth INR 35 lakh in total. The Additional Director-General of Police (Crime) had instructed special teams to conduct the search in all the districts and seized a total of 43,198 DVDs and 72 DVD writers. 43 persons involved in the making and sale of pirated DVDs were also arrested.<sup>97</sup>

92. The social service branch of Mumbai police deals with copyright violation and particularly with piracy of physical storage media

93. *Haradhan Saha and Anr v. State of West Bengal and Ors.*, (1974) 1 SCR 1

94. *Rekha v. State of Tamil Nadu & Ors.*, 2011 STPL (Web) 273 SC

95. Tamil Nadu Police, 2010- 11 Policy Note on Demand No. 22 available at: [http://www.tn.gov.in/policynotes/archives/policy2010\\_11/pdf/home\\_police.pdf](http://www.tn.gov.in/policynotes/archives/policy2010_11/pdf/home_police.pdf).

96. Tamil Nadu Police, 2011- 12 Policy Note on Demand No. 22 available at [http://www.tn.gov.in/policynotes/pdf/home\\_police.pdf](http://www.tn.gov.in/policynotes/pdf/home_police.pdf).

97. *Pirated DVDs seized*, dated June 6, 2013. Available at: <http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/pirated-dvds-seized/article4786386.ece>. Last visited: September 11, 2014.

The Goonda Act has helped the Tamil Nadu police to curb piracy and a similar initiative by the legislature at the central level may be able to achieve the same results on a national basis.

## D. John Doe Orders

In law, the name 'John Doe' or 'Ashok Kumar' (in the context of Indian courts) is used to identify unknown/nameless defendants, who have allegedly committed some wrong, but whose identity cannot be ascertained by the plaintiff. In such cases, in order to avoid delay in the process of justice due to anonymity of the defendant, the court names the defendant as 'John Doe', until such time the defendant is identified. This is particularly important in cases of copyright piracy since it is not always possible for the copyright owner to identify and drag all infringers to court, especially where the infringement is on such a large scale.

The principles which are applicable for grant of interim relief are applicable for obtaining 'John Doe' orders as well, i.e. the plaintiff is required to prove the existence of a prima facie case, balance of convenience in its favor and irreparable loss caused due to the illegal activities of the defendant.

Such 'John Doe' or 'Ashok Kumar' orders have also been granted by the Delhi High Court in judgments relating to recent Bollywood films *Thank You* (which set the precedent for the films), *Singham*, *Bodyguard*, *Dhoom3*,<sup>98</sup> *Department*,<sup>99</sup> and *Speedy Singhs*.<sup>100</sup> The court, with an aim of preventing piracy in the media industry, passed ad-interim ex-parte injunction against the unidentified defendants.

In the *Thank You* case<sup>101</sup> the producer, having experienced violation of its copyright in its earlier films committed by several known and

unknown cable operators who telecast pirated versions of the plaintiff's films on cable networks, was apprehensive of damages being caused to it monetarily and in terms of reputation due to the violations committed. As a result, prior to the release of *Thank You*, the plaintiff filed a suit before the Delhi High Court seeking to restrain the cable operators, known and unknown, from telecasting / broadcasting / distributing pirated versions of the film. The Delhi High Court passed a restraining order in favor of the plaintiff.

Similarly, in the *Singham* case,<sup>102</sup> the producer was apprehensive of the fact that copies of the movie will be made and sold/distributed in the form of DVDs/CDs in the market and/or shown on TV by cable operators. This could have resulted in a huge financial loss to the plaintiff. Thus, the plaintiff filed a suit before the Delhi High Court and contended that if the film was shown/broadcasted on cable/internet/DTH or illegally distributed through CD, DVD, Blue-ray, VCD MMS, tapes etc, by unauthorized personnel, the same would cause huge burden on the plaintiff as public would refrain from visiting the theatres to watch the movie. This would therefore result in lower collections at the box office and would prejudice the interest of the plaintiff. In this case, the Court, relying on the principles of *quia timet* passed a restraining order against all defendants and other unnamed undisclosed persons from distributing, displaying, duplicating, uploading, downloading or exhibiting the movie in any manner and infringing the copyright of the plaintiff through different mediums without prior license from the plaintiff.

When a 'John Doe/Ashok Kumar' order is passed, the plaintiff can serve a copy of the same on the party which is violating the order and seek adherence to the order. Failure to comply with the order may result in initiation of contempt proceedings. It is, however, open to the defendant to argue their case and prove their innocence, like in any other IP infringement matter.

98. *Yash Raj Films Pvt Ltd v. Cable Operators Federation of India & Ors.*, C.S. (O.S.) 2335/2013, I.A. 19123/2013, 19124/2013 and 19421/2013, Delhi High Court

99. I.A. No.9096/2012 in C.S. (O.S.) No. 1373/2012

100. I.A. No. 15224/2011 in C.S. (O.S.) No. 2352/2011

101. I.A. No. 5383/2011 in C.S. (O.S.) No. 821 of 2011

102. I.A. No. 11242/2011 in C.S. (O.S.) No. 1724/2011, Delhi High Court.

While Indian laws certainly provide for adequate protection, the challenge really lies with its enforcement. The enforcement machinery needs to deal with fly-by-night operators who make the raids more difficult. Also, some police cells are not well equipped nor properly trained to handle counterfeiting cases as they are not adequately educated on the laws governing IP. At times, while dealing with criminal actions, the judiciary is wary to take action, especially when the IPR is not registered or there is lack of evidence establishing a prima

facie case in favor of the purported owner of the IPR. Also, though the IPR Rules provide a framework to combat piracy, practically, there are a number of issues that one faces in implementing the processes under the IPR Rules. For instance, under the Trademarks Act and under common law, even unregistered trademarks are protected. Further, copyright does not require registration in order to qualify for protection in India. The right holders often face difficulties in convincing the authorities about their ownership of unregistered IPRs.



## 7. Disputes – Via Contractual Relationships & Via Distribution / Exploitation Rights

As stakeholders in the film making and distribution process enter into several written contracts to record their legal and commercial understanding, the contractual disputes arise out of overlapping assignment or license of rights, non-performance of contractual obligations or non-payment of amounts that may be due. As far as non-performance is concerned, it is often difficult to seek a quick order of the court for specific performance of the contract, as under Indian law not all contracts can be specifically enforced. Further, at the interim stage, courts do not grant interim orders for specific performance. Contracts for personal services cannot be specifically enforced. Hence, if the talent does not give agreed dates or if the music is not delivered on time, for instance, then the only remedy available would be in the form of damages.

In case the parties to the agreements have agreed that the disputes arising out of the contracts shall be settled by arbitration, the parties can still approach the court for certain interim measures. Section 9 of the Indian Arbitration & Conciliation Act, 1996 lays down certain cases where parties may approach the Court for certain interim measures. It has been held that this power of the Court may be exercised even before an arbitrator has been appointed, overruling the earlier position that the power may only be exercised if a request for arbitration has been made.<sup>103</sup> The court may grant such interim measures of protection as may appear to the Court to be just and convenient. The party approaching the court will need to establish a prima facie case and balance of convenience. For example, if a satellite distributor has procured satellite distribution rights and does not pay the producer on a timely basis, the producer may approach the court to seek interim injunction, pending arbitration between the parties, prohibiting the satellite distributor from further exploitation.

<sup>103</sup>. *Sundaram Finance v. NEPC India Ltd.*, (1999) 1 SLT 179 (SC)

### I. Disputes arising out of distribution / exploitation rights

With newer technologies, new rights may arise. The documentation for distribution rights may not have taken into consideration the future technologies. In such cases, typically, the rights would vest with the producers. Disputes, however, arise when the new rights may be considered only as an extension of earlier rights.

The same issue has been dealt with by the Delhi High Court, in a 2011 case of *Sholay Media & Entertainment Private Limited v. Vodafone Essar Mobile Services Limited & Ors.*<sup>104</sup> wherein an assignment clause was interpreted for the purpose of determining the extent and nature of rights assigned thereunder. The question before the Delhi High Court was whether an absolute right to use the sound track, including songs and music by way of ringtones, callback / ringback / caller tunes etc. (Digital Rights) were assigned to the concerned parties. In this case, the Court observed that per se, no specific rights were retained by the assignor as far as sound-recording of the film was concerned. Further, analysis of definition of the term ‘record’<sup>105</sup> indicates that sound recording rights could be exploited via future devices and mediums as well. Considering the same, the Court ruled in favor of Vodafone and allowed them to continue with the sound recording on digital media. The Court, on a perusal of the documents and after ascertaining the facts of the case, indicated that assignment of copyright would depend

<sup>104</sup>. 2011 (46) PTC 352 (Del)

<sup>105</sup>. “Record” shall mean and include disc, tapes, including magnetic tape (whether reel to reel, endless loop in cassette or cartridge form, or otherwise howsoever) or any other device of whatsoever nature in which sounds are embodied so as to be capable of being reproduced there from and all such devices as presently known or that may hereafter be developed and known but excluding the sound track associated with a Cinematograph Film.

largely upon the construction of the document and should be interpreted in the strictest sense or else would open floodgates of litigation for music publishing companies with respect to the agreements covering future assignment.

Further, if the rights have not been articulated accurately in the contracts, there may be overlaps that give rise to disputes. For instance, in the case of *M/s Tandav Films Entertainment Pvt. Ltd. v. Four Frames*<sup>106</sup> the plaintiff licensed the rights in the “*musical works and accompanying lyrics as well as the sound recordings embodied in the sound track*” of its film to

one party and licensed “*exclusive rights, excluding music rights in the film*” to another party. Various issues such as the scope and nature of rights in “musical works” and “dramatic works” arose. The Delhi High Court had to decide what extent these rights exist independently of each other in a cinematograph film; as well as the difference between “musical works” and “sound recordings”. However, the court did not adjudicate on the aforementioned issues as well as certain issues pertaining to moral rights as the parties had agreed to arbitration as a means of dispute resolution.

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106. IA No. 10000/2008 in C.S. (O.S.) 1456/2008 and IA No. 10408/2009 in C.S. (O.S.) 1913/2008, Delhi High Court. Available at: <http://delhicourts.nic.in/Oct09/TANDAV%20FILMS%20ENTERTAINMENT%20VS.%20FOUR%20FRAMES%20PICTURES.pdf>. Last visited: August 27, 2014.



## 8. Films and Censorship

Unlike the US film industry or many other advanced film industries, the Indian film industry comes under the purview of a statutory framework governing public exhibition and broadcasting of films, commonly known as Film Certification / Censors. A lot of litigation takes place in India in relation to certification of films for public exhibition and commission of statutory offences due to exhibition of a cinematographic film. This chapter deals with the statutory framework and attempts to highlight important issues which arise in its connection.

### I. Framework

The exhibition of films is governed by the Cinematograph Act, 1952 (“**Cinematograph Act**”) and Cinematograph Rules, 1983 (“**Cinematograph Rules**”). The statutory body which is assigned the task to certify films for exhibition is called the Central Board of Film Certification (“**CBFC**”), and is colloquially known as the Censor Board. The broadcast of films on television, including broadcast of film songs, film promos, film trailers, music video and music albums is governed by the Programme and Advertising Code<sup>107</sup> (“**PAC**”) prescribed under the Cable Television Network Rules, 1994.

### II. What is a Cinematographic Film?

A cinematographic film is defined as any work of visual recording on any medium produced through a process from which a moving image may be produced by any means and includes a sound recording accompanying such visual

<sup>107</sup>. On 7<sup>th</sup> October, 2011, the Central Cabinet has approved new uplinking/downlinking guidelines which will make permission/registration to broadcast TV channels subject to strict compliance with PAC. The permission/registration for uplinking/downlinking of channels will be revoked if it is found that the TV channel has violated the PAC on more than 5 instances. Available at: [http://mib.nic.in/writereaddata/html\\_en\\_files/content\\_reg/PAC.pdf](http://mib.nic.in/writereaddata/html_en_files/content_reg/PAC.pdf). Last visited: October 7, 2011.

recording.<sup>108</sup> It includes within its scope feature films as well as documentaries.

### III. CBFC and Certification of Cinematograph Films

In order to determine whether a film is fit for exhibition in India, all cinematographic films require certification by the CBFC, based on the censorship grades<sup>109</sup> set out under the Cinematograph Act. The CBFC, upon examination of the application for film certification, may sanction the film under any of the following categories, or may not sanction the film at all. Refusal to sanction implies that the film cannot be publicly exhibited.

- ‘U’ – Universal viewership or unrestricted public exhibition;
- ‘UA’ – Viewership is restricted to adults. Children below 18 years can see the film if accompanied by their parents;
- ‘A’ – Viewership is restricted to adults only;
- ‘S’ – Viewership is restricted to members of any profession or any class of persons, having regard to the nature, content and theme of the film.

If the CBFC considers certain portions of the film to exhibit obscenity, it may require the applicant to remove those objectionable portions before granting the certification. If the applicant believes he is aggrieved with the directions of the CBFC, he may choose

<sup>108</sup>S. 2(f) of the Copyright Act. The Cinematograph Act and Cinematograph Rules do not define ‘Cinematographic Films’ per se. However, the definition under the Copyright Act has been accepted to apply for the purposes of Cinematograph Act and Rules in *M/S Super Cassettes Industries v. Board of Film Certification & Ors.*, 2011 (46) PTC 1 Del.

<sup>109</sup>. In a bid to amend the existing provisions of the Cinematograph Act, the Government, in late 2009, prepared a draft Cinematograph Bill of 2010 (“**Bill**”). Specifically, the Bill proposed changes to the certification system for films where it suggested different slabs of rating for various age groups of film viewers. The Bill, however, is yet to see the light of day and it remains to be seen if the Government will implement its plan to bring about a Cinematograph (Amendment) Act.

to file an appeal with the Appellate Tribunal constituted under the provisions of Section 5D of the Cinematograph Act.

#### IV. Grounds on which Certificate has been Refused

Section 5B of the Cinematograph Act lays down principles for guidance in certifying films. These principles are negative in nature, meaning that a certificate for public exhibition will be granted only if the cinematograph film does not violate any of the principles stated therein. More often than not, certification is graded or refused or granted pending excision of certain scenes based upon non-violation of these principles by the film. These principles are: if the film or any part of it is against the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

The inverse of such a requirement is that once a cinematographic film is provided with a certificate for public exhibition, it is deemed to have satisfied all the requirements stated above. Such an inference is forceful since a closer scrutiny of the above principles would disclose that they are verbatim reproductions of exceptions to the fundamental right of freedom of speech and expression. Thus, a film certified for public exhibition is also deemed to not offend the aforesaid exceptions in anyway, meaning any litigation before a Constitutional Court on the ground of reasonable restriction on freedom of speech and expression is automatically undermined.

In some instances, the CBFC has ordered that certain scenes in a movie be deleted or certain dialogues be removed in order to make such a film appropriate for the public to view. This is done if any of the scenes or dialogues in the film is violative of the aforementioned principles. Recently, the CBFC has ordered removal of such scenes/dialogues

in the films *The Dirty Picture*,<sup>110</sup> *Ragini MMS 2*, *Koyelaanchal* and *Dedh Ishqiya*.<sup>111</sup>

#### V. Whether Certification is Required for Private Exhibition of Cinematograph Films

The Cinematograph Act provides for certification for public exhibition of films. Thus, an obvious question is whether a certificate from CBFC will be required for purely private viewership. The Delhi High Court has opined in the affirmative, stating that whether in the confines of a private space or otherwise, prior certification of the film under section 5A<sup>112</sup> of the Cinematograph Act would be required,

110. *Censor okays 'The Dirty Picture' for prime time after more cuts*, dated July 10, 2012. Available at: <http://archive.indianexpress.com/news/censor-okays-the-dirty-picture-for-prime-time-after-more-cuts/972685/>. Last visited: September 3, 2014.

111. *Bold sex scenes to be completely deleted from movies, says Censor Board of Film Certification*, dated July 23, 2014. Available at: <http://www.india.com/showbiz/bold-sex-scenes-to-be-completely-deleted-from-movies-says-censor-board-of-film-certification-100823/>. Last visited: September 3, 2014.

112. Section 5A, Cinematograph Act provides for certification of films:

(1) If, after examining a film or having it examined in the prescribed manner, the Board considers that-

(a) the film is suitable for unrestricted public exhibition, or as the case may be, for unrestricted public exhibition with an endorsement of the nature mentioned in the proviso to clause (i) of sub-section (1) of section 4, it shall grant to the person applying for a certificate in respect of the film a "U" certificate or, as the case may be, a "UA" certificate, or

(b) the film is not suitable for unrestricted public exhibition, but is suitable for public exhibition restricted to adults or, as the case may be, is suitable for public exhibition restricted to members of any profession or any class of persons, it shall grant to the person applying for a certificate in respect of the film an "A" certificate or, as the case may be, a "S" certificate; and cause the film to be so marked in the prescribed manner:

*Provided that the applicant for the certificate, any distributor or exhibitor or any other person to whom the rights in the film have passed shall not be liable for punishment under any law relating to obscenity in respect of any matter contained in the film for which certificate has been granted under clause (a) or clause (b).]*

(2) A certificate granted or an order refusing to grant a certificate in respect of any film shall be published in the Gazette of India.

(3) Subject to the other provisions contained in this Act, a certificate granted by the Board under this section shall be valid throughout India for a period of ten years.

since for the purposes of Section 52A(2)<sup>113</sup> of the Copyright Act the film is exhibited at that point.<sup>114</sup> In that case, the petitioner was in the business of selling religious audio-visual recordings on VCDs and DVDs with a disclaimer that it was meant for private viewing only. The Delhi High Court dismissed the petition, making CBFC certification approval mandatory for any type of viewership.

## VI. Validity of ban by State Authority Post CBFC Certification

There are numerous instances when a State Government or a local body has denied exhibition of a cinematographic film even though it had been certified by CBFC as being fit for exhibition. In 2006, the Government of Tamil Nadu imposed a ban on exhibition of the movie *Da Vinci Code*, after it had been granted CBFC certification, on the ground of maintenance of public order.<sup>115</sup> In an instance where the movie *'Aarakshan'* was granted CBFC certification and was permitted to be screened all over the country, the Supreme Court quashed and overturned the suspension of the screening of the film by the State Government of Uttar Pradesh.<sup>116</sup>

The Supreme Court has come down heavily on such bans, and quashed them after terming it

as 'pre-censorship'.<sup>117</sup> The highest Court of the country is very clear that once an expert body (CBFC) has found a film to be fit to be screened all over the country, the State Government does not have the power to organize another round of pre-censorship.<sup>118</sup> The Supreme Court has also declared that once an expert body has considered the impact of the film on the public and has cleared the film, it is no excuse to say that there may be a law and order situation. It is for the concerned State Government to see that the law and order is maintained. In any democratic society there are bound to be divergent views. Merely because a small section of the society has a different view from the majority there would be no ground for the Executive to review or revise a decision of the Appellate Tribunal. In such a case, there is a clear duty of the State Government to ensure that law and order is maintained by taking appropriate actions against persons who choose to breach the law.<sup>119</sup>

## VII. Broad Legal Principles Governing Censorship

The issue of censorship of cinematographic films first came up before the Supreme Court in 1969.<sup>120</sup> Over the years, the Supreme Court and various High Courts have dealt with several cases relating to censorship of cinematographic films. In March of 2011, the Delhi High Court summarized and described broad legal principles governing censorship.<sup>121</sup> They have been reproduced below.

- Obscenity must be judged from standards of reasonable, strong minded, firm and courageous men.<sup>122</sup>

<sup>113</sup> Section 52A(2) of the Copyright Act states that no person shall publish a video film in respect of any work unless the following particulars are displayed in the video film, when exhibited, and on the video cassette or other container thereof, namely

- a) if such work is a cinematograph film required to be certified for exhibition under the provisions of the Cinematograph Act, 1952, a copy of the certificate granted by the Board of Film Certification under section 5A of that Act in respect of such work;
- (b) the name and address of the person who has made the video film and a declaration by him that he has obtained the necessary licence or consent from the owner of the copyright in such work for making such video film; and
- (c) the name and address of the owner of the copyright in such work.

<sup>114</sup> *Supra* note 103.

<sup>115</sup> *Sony Pictures v. State of Tamil Nadu*, (2006) 3 M.L.J. 289

<sup>116</sup> *Prakash Jha Productions & Anr v. Union Of India*, (2011) 8 SCC 372

<sup>117</sup> Para 22 of *Prakash Jha Productions & Anr. v. Union Of India*, (2011) 8 SCC 372

<sup>118</sup> *Ibid*

<sup>119</sup> *Union of India v. K.M. Shankarappa*, (2001) 1 SCC 582

<sup>120</sup> *K. A. Abbas v. Union of India*, 1970 (2) SCC 780

<sup>121</sup> *Shrishti School of Art, Design and Technology v. Chairman, CBFC*, W.P. (C) 6806 of 2010, Delhi High Court.

<sup>122</sup> Observations of Justice Vivian Bose in *Bhagwati Charan Shukla v. Provincial Government*, AIR 1947 Nag 1. Approved by Supreme Court in *Ramesh v. Union of India*, AIR 1988 SC 775,

- If challenged, the burden is on the petitioner (Government) to prove obscenity.<sup>123</sup>
- The film has to be viewed as a whole before adjudging whether a particular scene or visual offends any of the guidelines.<sup>124</sup>
- To determine whether a film endangers public order, the film must have proximate and direct nexus to endangering public order.<sup>125</sup>
- The courts do not ordinarily interfere with the decision of CBFC regarding certification unless found completely unreasonable.<sup>126</sup>

## VIII. Statutory Offences Connected with Public Exhibition or Broadcast of Films

### A. Obscenity

The Indian Penal Code, 1860 (“IPC”) and the IT Act penalize certain actions which may constitute commission of offence in connection with the exhibition or broadcast of films. Specifically, the IPC penalizes production, circulation as well as consumption of obscene material.<sup>127</sup> Similarly, transmission or publication of obscene material in electronic form is punishable under the IT Act.<sup>128</sup> What is obscene is defined under the IPC to mean any object which is lascivious or appeals to the prurient interest or if its effect, or (where it comprises two or more distinct items) the effects of any one of its items, is, if taken as a whole,

such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied in it.

Interestingly, persons connected with the exhibition of a film cannot be charged for commission of an offence of obscenity if the film has been certified by CBFC as fit for exhibition to public or a class of public. This was held by the Supreme Court in *Raj Kapoor v. Laxman Gavai*.<sup>129</sup> In fact, the certificate issued by CBFC furnishes a complete legal justification to the producers and directors of a movie for public exhibition and exonerates them from offences under IPC, the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989 as well as the Protection of Civil Rights Act, 1955.<sup>130</sup>

A survey of decided cases would indicate that criminal prosecution has not just been instituted for public exhibition of a movie, but also for publishing advertisement of cinematographic films in newspapers<sup>131</sup> as well hosting it on the internet, In *Avnish Bajaj v. State*, decided by the Delhi High Court on 29/5/2008, the Managing Director of a commerce portal

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and cited with approval by Delhi High Court in *Shrishti School of Art, Design and Technology v. Chairman, CBFC W.P. (C) 6806 of 2010, Shri Anand Patwardhan v. Union of India (UOI) and Anr. 1998 (1) ALLMR 312*

123. *Life Insurance Corporation of India v. Prof. Manubhai D. Shah*, (1992) 3 SCC 637

124. *Director General, Directorate General of Doordarshan v. Anand Patwardhan*, AIR 2006 SC 3346, *Srishti School of Art, Design and Technology v. The Chairperson*, W.P. (C) 6806 of 2010, Delhi High Court.

125. *Rangarajan v. P. Jagjivan Ram*, 1989 SCC (2) 574

126. *Bobby Art International v. Om Pal Singh Hoon*, 1996 4 SCC 1

127. Section 292 of IPC.

128. Section 67 of IT Act.

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129. 1980 SCR (2) 512. In this case, the producers, actor, photographer, exhibitor and distributor of a feature film called ‘Satyam Shivam Sundaram’ were issued a notice under S. 292 of IPC alleging obscenity and indecency. The accused moved to the High Court claiming abuse of judicial process. One of the main contentions of the accused Petitioners was that no prosecution could be legally sustained in the circumstances of the case, the film having been duly certified for public show by the Board of Censors. The High Court did not conclusively answer the contention, but decided in favour of the respondent (complainant) on the ground that the complaint was neither frivolous nor vexatious and therefore could not be quashed. On appeal, the Supreme Court adjudicated on the contention and held that if the Board of Censors, acting within their jurisdiction and on an application made and pursued in good faith, sanctions the public exhibition, the producer and connected agencies do enter the statutory harbor. That is, if the Board of Censors has permitted screening of movie to a certain class, screening a feature film in pursuance of this permission will not expose the producers and others to criminal proceeding on grounds of obscenity

130. *Rakeysh Omprakash Mehra & Anr. v. Govt. of NCT of Delhi & Anr.*, 2013IAD(Delhi)741

131. *O. P. Lamba And Ors. v. Tarun Mehta & Ors.*, 1988 Cri.LJ. 610 is a case in which a complaint was filed against the management of Tribune Newspaper for carrying out advertisement of an English cinematographic film called ‘Together with Love’. The picture in the advertisement as well as captions supporting it were contended to be obscene.



was charged with publication of obscene material for hosting a pornographic clip involving two high school students.<sup>132</sup> However, the Information Technology (Amendment) Act, 2008 has clarified that an intermediary will not be liable for any third party information, data or communication link made available or hosted by him in certain cases.<sup>133</sup>

Is it a crime to show case a controversial movie which has CBFC certification? This was precisely the question before the Supreme Court in *Raj Kapoor v. Laxman Gavai*.<sup>134</sup> In this case, the producers, actor, photographer, exhibitor and distributor of a feature film called *Satyam Shivam Sundaram* were issued a notice under S. 292 of the IPC alleging obscenity and indecency. The accused moved the High Court claiming abuse of judicial process. One of the main contentions of the accused petitioners was that no prosecution could be legally sustained in the circumstances of the case, the film having been duly certified for public show by the CBFC. The High Court did not conclusively answer the contention, but decided in favor of the respondent (complainant) on the ground that the complaint was neither frivolous nor vexatious and therefore could not be quashed. On appeal, the Supreme Court adjudicated on the contention and held that if the CBFC, acting within its jurisdiction and on an application made and pursued in good faith, sanctions the public exhibition, the producer and connected agencies do enter the statutory harbor. That is, if the CBFC has permitted screening of movie to a certain class, screening a feature film in pursuance of this permission will not expose the producers and others to criminal proceeding on grounds of obscenity.

<sup>132</sup>. IT 6(2005)DLT427, 2005(79)DRJ576

<sup>133</sup>. Section 79, IT Act; as amended by the Information Technology (Amendment) Act, 2008. Lists the following circumstances

- i. *The function of the intermediary is limited to providing access to a communication system over which information made available by third parties is transmitted or temporarily stored or hosted, or*
- ii. *The intermediary does not initiate the transmission, select the receiver of the transmission, and select or modify the information contained in the transmission*
- iii. *The intermediary exercises his due diligence while discharging his duties under the IT Act and follows all other applicable guidelines.*

<sup>134</sup>. 1980 SCR (2) 512

In the case of the film *Ram-Leela*, inspired by William Shakespeare's *Romeo & Juliet*, a number of protests were made regarding the title, which is a term commonly used to refer to a depiction of the life of the Hindu God Ram. A petition regarding the same was brought before the Madhya Pradesh High Court, which ordered that the film may be released, but without the name *Ram-Leela*, on the grounds that the title of the film had no concern with the contents of the film and may affect the sentiments of the public, or part of the public that believes in Lord Ram, and may create confusion in the minds of people, who may be inspired to see such a movie because of its title. Apart from this, use of the religious word *Ram-Leela* which has its own significance could not have been used to exhibit a story based on the social drama of *Romeo & Juliet*.<sup>135</sup> Although the movie was released under its new name *Goliyon Ki Rasleela Ram-Leela*,<sup>136</sup> this incident stirred a controversy as it allegedly was suppression on the right to free speech and expression.

## B. Defamation

The provisions under IPC<sup>137</sup> lay down that a person defames another if he, by words either spoken or intended to be read, or by signs or by visible representations, makes or publishes any imputation concerning any person intending to harm or knowing or having reason to believe that such imputation will harm the reputation of such person.

The Patna High Court dealt with a case wherein the cast, crew and producers of a feature film were accused of defamation of lawyers as a class.<sup>138</sup> In this case, the Court had the opportunity to decide whether certification by CBFC is a defense to the offense of defamation. The Court held that mere

<sup>135</sup>. W.P.No.20008 of 2013 & MCC.No.1395 of 2013, Madhya Pradesh High Court.

<sup>136</sup>. As per IMDB – Release Info. Available at: <http://www.imdb.com/title/tt215477/releaseinfo>. Last visited: September 11, 2014.

<sup>137</sup>. Section 499 of IPC.

<sup>138</sup>. *Asha Parekh & Ors. v. The State Of Bihar*, 1977 CriLJ 21

certification was not a complete defense, but it created a presumption in favor of the accused that they did not have the knowledge or reasons to believe that their act would harm the reputation of the aggrieved persons. If the presumption is not rebutted, the charge of defamation is not made out.

This must be contrasted with the offense of obscenity, where once certification by CBFC has been granted, no charge can be held against the accused and therefore, no criminal proceedings can be initiated.

### C. Other Statutory Offences

The offences of obscenity and defamation are ones which affect the public at large, and therefore have greater chances of being litigated. Other offences are primarily offences against the State, namely imputations, assertions prejudicial to national-integration<sup>139</sup>, sedition<sup>140</sup> etc. It is difficult to imagine that such a charge could be made against people connected with the film because the CBFC, being a government institution, will filter out any objectionable content. However, if it is assumed that such a charge may come to be levied, the accused can always take the defense of action taken in good faith, believing it to be justified by law.<sup>141</sup> Such a defense was permitted by the Court in the context of obscenity.<sup>142</sup> Based on this, it could also be construed that defenses for charges in other actions (such as imputations, assertions prejudicial to national integration etc.) may also be upheld by the Court.<sup>143</sup>

<sup>139</sup>.Section 153 B of IPC

<sup>140</sup>. Section 124A of IPC

<sup>141</sup>. Section 79 of IPC - Nothing is an offence which is done by any person who is justified by law, or who reason of a mistake of fact and not by reason of a mistake of law in good faith, believes himself to be justified by law, in doing it.

<sup>142</sup>. *Raj Kapoor v. Laxman Gavai*, 1980 SCR (2) 512

<sup>143</sup>. *Ibid. Refer to Raj Kapoor v. Laxman Gavai* for understanding of the jurisprudence related to action taken in good faith

## D. PAC, Self- Regulation Guidelines and Broadcast of Films and Related Media

The regulation over the content aired via television is done by the Cable Network Television Rules, 1994 (“**Cable Rules**”) and Self-Regulatory Guidelines prescribed by the Indian Broadcasting Foundation (IBF Guidelines).

In the context of broadcast of cinematographic films and related media, the Programme and Advertising Code (“**PAC**”) issued under the Cable Rules lays down, in effect, the same principles as are applicable to the public exhibition of cinematographic films under the Cinematograph Act.<sup>144</sup> It also prescribes that all films, film songs, film promos, film trailers, music videos, music albums and their promos, whether produced in India or abroad, will not be carried through cable service unless it has been certified by the CBFC as suitable for unrestricted public exhibition in India.<sup>145</sup> The medium of carriage of content has been extended to include the satellite television service platform as well<sup>146</sup> horror and occult; drugs, smoking, tobacco, solvents and alcohol; religion and community; and harm and offence.

<sup>144</sup>.Rule - 6 of the PAC. – (1) No programme should be carried in the cable service which:-

(a) Offends against good taste or decency; (b) Contains criticism of friendly countries; (c) Contains attack on religions or communities or visuals or words contemptuous of religious groups or which promote communal attitudes; (d) Contains anything obscene, defamatory, deliberate, false and suggestive innuendos and half truths; (e) is likely to encourage or incite violence or contains anything against maintenance of law and order or which promote anti-national attitudes; (f) Contains anything amounting to contempt of court; (g) Contains aspersions against the integrity of the President and Judiciary; (h) Contains anything affecting the integrity of the Nation; (i) Criticises, maligns or slanders any individual in person or certain groups, segments of social, public and moral life of the country; (j) Encourages superstition or blind belief; (k) Denigrates women through the depiction in any manner of the figure of a women, her form or body or any part thereof in such a way as to have the effect of being indecent, or derogatory to women, or is likely to deprave, corrupt or injure the public morality or morals; (l) Denigrates children; (m) Contains visuals or words which reflect a slandering, ironical and snobbish attitude in the portrayal of certain ethnic, linguistic and regional groups; (n) Contravenes the provisions of the Cinematograph Act, 1952. (o) is not suitable for unrestricted public exhibition

<sup>145</sup>. Proviso to Rule 6 of the Cable Rules

<sup>146</sup>. *Pratibha Naitthani v. Union of India & Or.*, 2006 (2) BomCR 41



For instance, in terms of programmes that may have obscene content, separate criteria have been laid out for the content that may be construed as falling under the ‘G’ category and the ‘R’ category of programmes.

The general thought behind this is that apart from films that may be exhibited in cinemas and on television, controversial scenes in programmes appearing on television should also be regulated, specifically in light of certain television shows that were aired during prime time slots and stirred up controversy.

Any person or a group of persons aggrieved by any content or programme appearing on television, may either individually or jointly, file a complaint directly before the Broadcasting Content Complaints Council (“BCCC”) within 14 (fourteen) days from the date of the first broadcast.<sup>147</sup>

## E. Public Interest Litigation and Change in Broadcasting Regulations

The exhibition of cinematographic films on the silver screen was largely unregulated till 2005. In December of 2005, as a result of a public interest litigation writ petition filed by one Pratibha Naitthani, the High Court of Bombay<sup>148</sup> restricted cable television operators and multi service operators from screening films with adult content on cable television unless such films were certified for unrestricted public exhibition by the Central Board of Film Certification. By virtue of another order passed in the same case<sup>149</sup>, the application of the ban was extended to foreign broadcasters and DTH service providers as well. The IBF Guidelines, on the other hand, have set out that adult content may be permitted to be aired on television only between 11 pm to 5 am. This has been done with a view to regulate the content and to ensure such content is aimed at adult audiences only.

147. Section 8, Procedure of the Self-Regulatory Mechanism in the Self-Regulation Guidelines, Content Code and Certification Rules for the General Entertainment & Non News & Current Affairs Broadcasting Sector. Available at: <http://www.ibfindia.com/sites/default/files/pdf/Self%20Regulatory%20Guidelines%20for%20non-news%20%26%20current%20affairs%20programmes.pdf>. Last Visited: September 2, 2014.

148. *Supra* note 143

149. *Ibid.*

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