

(2001) 04 PAT CK 0050
In the Patna High Court
Case No : A.F.Orl. Order No. 35 of 2001

Lal Babu Priyadarshi and Another	Vs	APPELLANT
Badshah Industries and Others		RESPONDENT

Date of Decision : 19-04-2001

Acts Referred:

Copyright Act, 1957 — Section 45, 45(1)
Copyright Rules, 1958 — Rule 16, 16(3)

Citation : AIR 2002 Patna 33 : (2001) 2 PLJR 661

Hon'ble Judges : S.K. Katriar, J; Nagendra Rai, J

Bench : Division Bench

Advocate : Basudeo Prasad, Parimal Chandra Das and Sheo Nath Prasad, for the Appellant; Ram Balak Mahto, Sachindra Upadhyay and Shailesh Kashyap, for the Respondent

Final Decision : Allowed

Judgement

1. With the consent of the parties , this appeal was finally heard at the stage of hearing of stay matter, and is being disposed of at this stage itself.
2. This appeal u/s 72(2) of the Copyright Act, 1957, (hereinafter referred to as "the Act") has been filed against the order dated 29-9-2000, passed by the Copyright Board (for short "the Board") at Calcutta, allowing the petition filed by respondent No. 2 for rectification of the Copyright Register by expunging the entry relating to artistic work No. A-J 3875/97, issued in favour of appellant No. 1. Proprietor of Shri Om Perfumery, having its office and business in the town of Patna.
3. The appellants filed an appeal against the said order earlier before the High Court of Judicature at Calcutta. An objection was raised on behalf of respondents No. 1 and 2 that the appeal was not maintainable due to lack of territorial jurisdiction. The objection was upheld. Thereafter, the present appeal has been filed.

4. Appellant No. 1 is a firm and appellant No 2 is Its Proprietor, the appellants claim that they are carrying on business of manufacturing, trading and marketing incense sticks (Agarbatti) and related goods for the last 20 years and they are selling their incense sticks under "Ramayan" label brand. They claim that it is their artistic creation under the label of "Ramayan" and is unique in its style of writing design setting, colour scheme and other allied features and these have been prepared at their instance by a designer and photographer of Shiva Kashi and on that basis of the final artistic work was given the label of Ramayan Agarbatti. They are using the said label of Ramayan since 1981 and their product became very popular. Respondent No. 2, Amrit Pal Singh, was earlier selling the appellants' products in the market up to 1995, but later on taking benefit of the goodwill of the product of the appellant and also that the product of the appellants is popular, he started manufacturing the incense sticks (Agarbatti) under the same label of Ramayan. Respondent No. 2 illegally adopted the label/ Its original design, get up, structures, letters etc. and started manufacturing, trading and marketing, its products of Incense sticks using the artistic work under Ramayan label. In other words, the original label and trade mark of the appellants, which they have been using since 1981, are being dishonestly used by respondent No. 1, which is a violation of the products as well as the trade mark of the appellants. The appellants applied on 25-8-1994 before the Registrar, Trade Marks, for registration of the "Ramayan" label under the provision of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "Merchandise Marks Act"). In the said application, they had given the date of user of the trade mark from 1-1-1987. Later on they filed an application on 6-8-1996 for correction of the said date on the ground that there was a typographical error and the actual date of user is 1 -1 -1981. The said application is still pending. Prior to that on 19-6-1996, the appellants sent a notice to respondent No. 2 alleging that he is using the same trade mark "Ramayan" on the Agarbatti, which is used by the appellants and by imitating their registered trade mark "Ramayan" and reproducing the distinctive artistic features, the registered trade mark of Ramayan of the appellants Is being infringed by the respondents. Thereafter, they filed an application before the Registrar of the Copyright under the Act for registration of the copyright u/s 45 of the Act. The appellants on 8-8-1996 had already applied, before the Registrar, Trade Marks, for grant of no objection certificate that no trade mark identical with or deceptively similar to the artistic work of the appellants has been registered under the Merchandise Marks Act in favour of any other person nor any application under the Act for such registration has been made by any other person. On 20-9-1996, the appellants were granted no objection certificate by the Registrar, Trade Marks , and on the basis of the same, the Registrar under the Act entered the particulars of the works of the appellants in the Registrar of Copyright. Thus, according to the appellants, the entry in the Register of Copyright u/s 45 of the Act was made by the Registrar of Copyright on being satisfied that the artistic work on the label of Ramayan was of the appellants,

5. The case of respondents No. 1 and 2 is that respondent No. 1, Badshah Industries, situate in the town of Patna, is a proprietorship firm of respondent No. 2, Amrit Pal Singh, and is engaged in the business of manufacturing incense sticks (Agarbatti) and related goods since 1980. They have been selling their goods under the trade mark Badshah Ramayan, which, has a good reputation and goodwill in the market. They are using the aforesaid label of Badshah Ramayan since 1986 on the Incense sticks and the same has been in continuous use since then. The said trade mark is an original work and was the result of the application of the skilled labour and aesthetic sense of respondent No. 2. On 17-6-1996, they applied before the Registrar for registration of the trade mark "Badshah Ramayan" label for incense sticks (Agarbatti) and the same is pending. The appellants started using the same Ramayan label in relation to their products with a view to harm their reputation, goodwill and caused loss to them. The appellants managed to get the artistic work of the respondents and used the identical Ramayan label of the respondents. They fraudulently and dishonestly got the registration done under the provisions of the Act. The application filed for registration was not in proper form. Form IV, which has to be filed for grant of Registration of Copyright and which under its Clause 13-A provides that if the work is an "artistic work" which is used or is capable of being used in relation to any goods, the application shall include a certificate from the Registrar of Trade Marks in terms of proviso to Sub-section (1) of Section 45 of the Act, was not filled up. Thus, the appellants fraudulently obtained the registration u/s 45 of the Act. The appellants had applied before the Registrar, Trade Marks, for obtaining a non objection certificate under the Act and Search Report given to the appellants on 8-8-1996 from the office of the Registrar, Trade Mark, informing that no objection certificate, can be issued in respect of the artistic work in question by the Registrar of the Trade Marks, Mumbai. A large number of applications were pending for registration by the different parties, even then the appellants managed to obtain a no objection certificate by playing fraud from the Trade Marks Registry. In view of the pendency of the applications of the respondents and a large number of other persons, the appellants could not have been issued the certificate under the Merchandise Marks Act and consequently could not have been issued the no objection certificate. Respondent No. 1 after having come to know about the fraudulent activities of the appellants filed Title Suit No. 236 of 1996 in the Court of the Subordinate Judge, Patna, on 13-6-1996. Thereafter, on 19-6-1996, the appellants served a legal notice asking the respondents not to use label of Ramayan on their products. The trial Court, thereafter, on 20-6-1996 granted order of status quo in the aforesaid title suit. The said title suit was withdrawn on 1-10-1996 and a fresh title suit bearing No. 9 of 1996 was filed by the respondents against the appellants before the District Judge, Patna, on 3-10-1996, which is pending. When respondents No. 1 and 2 came to know that the appellants have obtained the copyright registration certificate u/s 45 of the Act by playing a fraud and misrepresentation behind their back, they filed an application u/s 50 of the Act, for rectification of the Register before the Copyright Board, New Delhi, on 4-12-1997. During the pendency of the application before

the Board, the respondents also obtained a Search Report from the Trade Marks Registry. In the Search Report, it was mentioned that no objection certificate as required u/s 45(1) of the Act cannot be issued by the Registrar of Trade Marks because a large number of applications for registration of the very label "Ramayan" by the different parties are pending. Thereafter the said Search Report was also filed before the Board.

6. Two grounds were urged on behalf of the respondents before the Board: firstly, that the certificate issued by the Registrar, Trade Marks, dated 20-9-1996 was fraudulently obtained as on that day, a large number of applications were pending before the Registrar, Trade Marks, for registration of the Trade Mark "Ramayan" and as such no certificate can be Issued in such a situation and, secondly there was complete violation of Rule 16(3) Copyright Rules (for short the Rules") while considering the application filed by the appellants for making entry in the Register of Copyright u/s 45 of the Act.

7. The Board rectified the entry made in the Register of Copyright on the second ground that the registration -was given in favour of the appellants without following the mandatory provision as contained under Rule 16(3) of the Rules.

8. Learned counsel appearing for respondents No. 1 and 2 raised objection that the appeal is barred by limitation.

9. In our view, the appeal is not barred by limitation as the order was communicated in terms of Rule 25 of the Rules on 6-1-2000 and, thereafter, the appeal was filed within time. Hence the appeal is not barred by limitation.

10. Learned counsel for the appellants submitted that as the registration was granted to the appellants u/s 45 of the Act, the respondents should have availed the remedy of appeal u/s 72 of the Act and the rectification application filed u/s 50 of the Act was not maintainable and, accordingly, the order passed for cancellation of registration is illegal and without Jurisdiction. He further submitted that respondents No. 1 and 2 were not necessary persons to whom notice should have been given by the appellants under Rule 16(3) of the Rules and the Board wrongly held that non compliance of the aforesaid Rule has vitiated the grant of registration to the appellants. He also submitted that the appellants are the original manufacturers of the Agarbatti under the label of "Ramayan" which is apparent from the materials on record and the Board Ignoring the same has erred in cancelling the registration, which was granted in accordance with law in favour of the appellants.

11. Learned counsel appearing for respondents No. 1 and 2, on the other hand, submitted that the materials on the record show that they were manufacuring the Agarbatti under the label of Ramayan since 1986, whereas, the appellants started using the same lable of Ramayan having the same artistic work as that of the respondents from 1987, which is evident from the application filed by them for registration of the Trade Mark on 25-8-1994, and the notice dated 19-6-1996 served on the respondents. He further submitted that the Registrar of the Trade

Marks has rejected the prayer of the appellants for grant of certificate u/s 45(1) of the Act on the ground that a large number of applications are pending for grant of Trade Mark of the label of Ramayan. The subsequent grant of certificate, to the appellants was produced by fraud and as such the same should not be a ground for grant of registration u/s 45 of the Act. He further submitted that according to the statement made in the notice of the appellants dated 19-6-1996, sent to respondents No. 1 and 2, the dispute was going on between the parties with regard to the use of label "Ramayan". The appellants asked the respondents to desist from using the label "Ramayan" on their Agarbattis, even then while making an application for effecting an entry in the Register of Copyright u/s 45(1) of the Act on 1-10-1996, the appellants did not give notice to the respondents and obtained the registration copyright behind the back of respondents No. 1 and 2. The respondents being interested in the subject matter of the Copyright, for which application was made by the appellants and there being dispute with regard to the right of the appellants the provision of Rule 16(3) of the rules should have been complied with by the appellants and the absence of notice by the appellants in terms of the aforesaid Sub-rule is a serious lacuna and the Board has rightly held that non-service of notice on the respondents by the appellants while making application for registration of copyright has vitiated the registration of copyright. In other words, the Board found that on mis-representation the appellants have obtained the registration of copyright under the Act and, thus, the Board rightly passed an order in exercise of the power u/s 50 of the Act expunging the entry wrongly made in favour of the appellants.

12. As stated above, the Board has not given any final opinion as to who has started manufacturing Agarbatti under the label of Ramayana earlier in point of time nor has it given a definite finding in regard to no objection certificate granted by the Registrar Marks as , to whether the same was genuinely and validly given to the appellants or was fraudulently obtained as claimed by the respondents. The Board has rectified the entry of the ground of violation of Rule 16(3) of the Rules.

13. It is an admitted position that both the parties have filed an application for grant of Trade Mark "Ramayan" claiming a similar artistic work, on the label. From a perusal of both the labels, it appears that both the marks are identical in design, scheme and the reproduction of photographs are in such a manner that an ordinary man will be deceived and it will be difficult for him to decide the difference between the two products.

14. Both the parties have filed their applications before the Registrar, Trade Marks, for grant of registration of Trade Marks under label "Ramayan" and the applications are pending . Two letters, i.e. the letter dated 8-8-1996, sent to the appellants and the letter dated 10-2-1998 sent to respondents No. 1 and 2 from the office of the Registrars. Trade Marks and the list appended with the aforesaid letters clearly show that a large number of applications were pending for

registration of the Trade Mark "Ramayan" and on that ground the Registrar, Trade Mark, has refused to grant certificate, both to the appellants as well as to the respondents as required under provisions of the Sub-section (1) of the Section 45 of the Act, which is a condition precedent for making an entry in the Register of Copyright. It is an admitted position that the dispute between parties with regard to carrying on business in Agarbatti under the label "Ramayan" was going prior to filing of the application by the appellants for entry in the Register of Copyright under the Act. The same is evident from two documents. Respondents No. 1 and 2 filed Title Suit No. 236 of 1996 against the appellants on 13-6-1996, in which an order of *status quo* was granted on 20-6-1996. The appellants sent a legal notice dated 19-6-1996 to the respondents, a copy of which has been annexed as Annexure 3 to the memo of appeal by the appellants, wherein the appellants have claimed that respondents No. 1 and 2 are using identical and/or deceptively similar mark "Ramayan" on their products and called upon the respondents to forthwith withhold, cease, desist and discontinue the use of mark "Ramayan" or any other mark which is identical and/or deceptively similar to the Trade Mark "Ramayan", constituting infringement on their Trade Mark. They asked the respondents to cease and desist from manufacturing and selling of incense sticks (Agarbatti). The application for entries in the Register of Copyright, as contained in Annexure 7 to the memo of appeal, was filed by the appellants on 1-10-1996, i.e. after issuance of the aforesaid notice to respondents No. 1 and 2.

15. Thus, on the date of the filing of the application there was a dispute between the appellants and respondents No. 1 and 2 with regard to use of Trade Mark or label "Ramayan" on their Agarbattis and the appellants had knowledge that the respondents have interest in the subject matter of the copyright and they also disputed the right of the appellants.

16. Section 44 of the Act provides that a Registrar of Copyright shall be maintained, in which the names or titles of works and the names and addresses of owners of copyright and such other particulars may be entered into. Section 45 of the Act provides for entries in the Register of Copyright, which runs as follows :--

"45. Entries in Register of Copyrights, :--(1) The author or publisher of or the owner of or other person interested in the copyright in, any work may make an application in the prescribed form accompanied by the prescribed fee to the Registrar of Copyrights for entering particulars of the work in the Register of Copyrights :

Provided that in respect of an artistic work which is used or is capable of being used in relation to any goods, (he application shall include a statement to that effect and shall be accompanied by a certificate from the Registrar of Trade Marks referred to in Section 4 of the Trade and Merchandise Marks Act, 1958 (43 of 1958), to the effect that no trade mark identical with or deceptively similar to such artistic work has been registered under that Act in the name, of or that no

application has been made under that Act for such registration by any person other than the applicant.

(2) On receipt of an application in respect of any work under Sub-section (1). the Registrar of Copyright may, after holding such inquiry as he may deem fit, enter the particulars of the work in the Register of Copyrights."

17. According to the said provision, an application has to be filed by the concerned person in prescribed form accompanied by the prescribed fee to the Registrar of Copyright for entering particulars of the work in the Register of Copyright. In case of entry in the Register of Copyright regarding an artistic work which, is used or capable of being used in relation to any goods, the application shall contain a statement to that effect and shall be accompanied by a certificate referred to in Section 4 of the Merchandise Marks Act that no Trade Mark identical with or deceptively similar to such artistic work has been registered under that Act in the name of any person or no application has been made under that Act for such registration by any officer other than the applicant. Thereafter, the Registrar after making an enquiry will dispose of the matter under Sub-section (2) of Section 45 of the Act.

18. Rule 16 of the Rules framed u/s 78 of the Act contains a provision with regard to filing of an application for registration of the copyright, which runs as follows :--

"16. Application for Registration of Copyright.-- (1) Every application for registration of copyright shall be made in accordance with Form IV and every application for registration of changes in the particulars of copyright entered in the Registrar of Copyrights shall be made in accordance with Form V.

(2) Every such application shall be in respect of one work only, shall be made in triplicate and shall be accompanied by the fee specified in the Second Schedule in this behalf.

(3) The person applying for registration shall give notice of his such intention to every person who claims or has any interest in the subject matter of the copyright and disputes the rights of the applicant, to it.

(4) If no objection to such registration is received by the Registrar of Copyrights within thirty days of the receipt of the application by him, he shall, if satisfied about the correctness of the particulars given in the application, enter such particulars in the Register of Copyrights.

(5) If the Registrar of Copyrights receives any objections for such registration within the time, specified in Sub-rule (4), or if he is not satisfied about the correctness of the particulars given in the application, he may after holding such enquiry, as he deems fit, enter such particulars of the work in the Register of Copyright as he considers proper.

(6) The Registrar of Copyrights shall, as soon as may be, send wherever

practicable, a copy of the entries made In the Register of Copyrights to the parties concerned."

19. The application has to be made in Form IV for registration of copyright. Clause 13-A of the said Form provides that if the work is an "artistic work", which is used or Is capable of being used in relation to any goods, the application shall Include a certificate from the Registrar of Trade Marks in terms of proviso to Sub-section (1) of Section 45 of the Act, Rule 16(3) of the Rules provides for giving notice by the applicants to every person, who claims or has any Interest in the subject matter of the copyright and disputes the rights of the applicant.

20. Thus, the combined reading of the aforesaid provisions shows that once an application for registration of copyright is filed and in case there are other claimants of the copyright or if there is a dispute then the person having claim or interest in the subject matter of copyright or dispute has to be noticed by the applicant and thereafter, the matter of entering in the Register of Copyright has to be disposed of as provided under Rule 16 of the Rules. In case of artistic work, which is used or is capable of being used in relation to any goods, further requirement is that a certificate has to be obtained in terms of proviso to Section 45(1) of the Act and a statement to that effect has to be made in Form IV. Clause 13-A.

21. Rule 16(3) of the Rules embodied the principle of natural justice, which provides that when there is a rival claim with regard to subject matter of copyright then no order can be passed in favour of any party without hearing the application of other applicant or dispute. Non observance of the said provision will vitiate the order with regard to the entry in the Register of Copyright. The said requirements cannot be waived nor non-observance of the said provision can be said to be a mere irregularity. If a person making an application u/s 45 of the Act is not aware of the rival claim then the matter would be different but in this case as is evident from the notice sent by the appellants through their counsel, they were aware of the claim of the respondents and as such they should have given notice to respondents No. 1 and 2 Intimating them of their intention to file an application for registration so that the respondents could have raised objection and, thereafter, the matter would have been decided in terms of provisions contained in Section 45 of the Act, read with Rule 16 of the Rules.

22. The appellants, as stated above, have contended that the Board should not have nullified the registration in exercise of the power u/s 50 of the Act. Respondents No. 1 and 2, if were aggrieved by the said order, should have gone in appeal. Section 50 of the Act provides that the Board, on an application of the Registrar of Copyright or of any person, aggrieved, shall order rectification of the Register of Copyright either by making of an entry wrongly omitted to be made in the Register or expunging of any entry wrongly made In, or remaining, on the register or the correction of any error or defect in the register. Wide power has been conferred on the Board to make necessary correction or rectification in the Register of Copyright. No limitation has been put on the power of the Board and

as such in a proper case when the Board finds that the entry in the register required modification either because of any error or defect or wrong entry has been made either on the ground of fraud, mis-representation or like nature, necessary correction or rectification can be made in the Register of Copyright. If the submission of the appellants that a case where remedy of appeal against the order is available, Section 50 is not attracted, is accepted then Section 50 will become redundant and at loose. This power is in addition to the power of appeal under the Act, which has been conferred on the Board u/s 72(1) of the Act.

23. Admittedly, Rule 16(3) of the Rules has not been followed in this case before making the entry in the Register of Copyright u/s 45 of the Act and, thus, the Board rightly came to the conclusion that non observance of the provision of Rule 16(3) of the Rules, which is mandatory in nature, has vitiated the certificate of registration in favour of the appellants.

24. Thus, we do not find any infirmity in the order of the Board cancelling the registration of the appellants in the Register of Copyright in violation of the aforesaid Rules. However, cancellation of registration does not put an end to the dispute between the parties. The appellants claim to have obtained certificate in terms of proviso to Section 45 of the Act, which claim has been denied by the respondents and according to them that was obtained by playing fraud. The determination of the said question is necessary for the simple reason that unless there is a certificate as provided under the proviso to Section 45(1) of the Act granted by the Registrar, Trade Marks, no entry in the Register of Copyright can be made with regard to the artistic work in question. As the appellants have filed an application and the respondents are disputing their claim, this question is to be decided by the Registrar of the Copyright by holding an enquiry before passing a final order in terms of Section 45(2) of the Act. In our view, after cancelling the registration in favour of the appellants, the Board should have remanded the matter to the Registrar of the Copyright with a direction to hear both the parties and then to decide the question as to whether the claim of the appellants can be allowed or not on the basis of the materials on the record.

25. In the result, this appeal is allowed in part. The order of the Board is upheld with the modification. The matter is remitted to the Board to decide the claim of the appellants for entry in the Register of Copyright after hearing both the parties in terms of the direction mentioned above.