
(2010) 07 DEL CK 0038

In the Delhi High Court

Case No : I.A No. 7050 of 1999 in C.S. (OS) No. 1625 of 1999

The Gramophone Company of India Ltd.

APPELLANT

Vs

Super Cassette Industries Ltd.

RESPONDENT

Date of Decision : 01-07-2010

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2
Constitution of India, 1950 — Article 141
Copyright Act, 1957 — Section 13, 13(3), 13(4), 14, 15
Copyright Rules, 1958 — Rule 1, 2, 21, 21(2)
Designs Act, 1911 — Section 2

Citation : (2010) 44 PTC 541

Hon'ble Judges : Vipin Sanghi, J

Bench : Single Bench

Advocate : C.M. Lall and H.V. Chandola, for the Appellant; Jagdish Sagar and N.K. Bhardwaj, for the Respondent

Judgement

Vipin Sanghi, J.—By this order, I propose to dispose off I.A No. 2382/2005 in C.S. (OS) No. 399/2005 and I.A. No. 7050/1999 in C.S.(OS) No. 1625/1999. Since the parties and the issues involved in the interim applications and the two suits are common, these are being disposed off by a common order.

FACTS IN BRIEF

2. The plaintiff has filed C.S.(OS) No. 1625 of 1999 to, inter alia, seek a permanent injunction against the Defendant Company from issuing any sound recording which embodies the works (literary and musical works), in which the copyright is owned by the plaintiff herein. The plaintiff has also sought an injunction restraining the Defendant from launching sound recordings which are remixed versions of the sound recordings in which the plaintiff owns copyright. For the sake of clarity the sound recordings of the defendant are referred to herein as "version recordings".

3. The case set up by the plaintiff is that the plaintiff is the owner of copyright in

various sound recordings which comprise of lyrics and background music or the musical score. The plaintiff also claims to be the owner of the copyright in the underlying musical score or composition and the lyrics embodied in the said sound recordings. The plaintiff's claim is that the Defendant has launched a series of audio cassettes containing version recordings which violate the copyrights of the plaintiff. The plaintiff avers that it has not granted any right, permission or license to the Defendant to make version recordings of the works in which it has copyrights.

4. The grievance of the plaintiff is that the audio cassettes titled "28 Super Non-Stop Remix" Vol. 2, Vol. 3 and Vol. 4 released by the defendant contain remix version of songs from the film titles "Hum Aapke Hain Kaun", "Daur", "1942 - A Love Story", "Saudagar", "Dilwale Dulhania Le Jayenge" etc. The copyright in the literary, dramatic and musical works in these songs, as well as the copyright in sound recordings comprising of these songs is claimed by the plaintiff. The plaintiff states that the Defendant Company had sought permission of the plaintiff to make version sound recordings of the literary and musical works forming part of the sound track of the aforesaid titles. The plaintiff states that it had categorically refused permission to the Defendant to make such recordings. The grievance of the plaintiff is that despite such refusal, the Defendant has gone ahead and made version recordings embodying the lyrics and the musical works in which the plaintiff has copyright, thereby infringing the same.

5. The plaintiff states that besides having infringed the plaintiff's copyright in the literary and musical works, the Defendant is also guilty of misleading the public by selling the audio cassettes with such inlay cards which contain misleading statements as to the nature of the version recording, and various declarations to be made under law. The said inlay cards fail to recognize the plaintiff's ownership of copyright in the literary and musical works. The mandatory declaration u/s 52A of the Copyright Act (The Act) has also not been made. Even some of the sound recordings/songs seem to be from the original sound track and the other works have either been altered or mutilated.

6. When CS(OS) No. 1625/1999 came up for hearing on 29.07.1999, the statement of the learned Counsel for the defendant was recorded that the defendant would not release any cassette in respect of any song in which the plaintiff had a copyright. On 13.10.1999, the said statement was confined to the subject matter of the suit as mentioned in Prayer A (i) in the light of the Annexure-A filed with the plaint. Prayer A (i) in the suit reads as follows:

A. The Defendants, its directors, proprietors, partners, servants, agents, representatives, distributors and assigns be restrained by permanent injunctions from:

(i) issuing any sound recording which embody the copyrights of the plaintiff and which sound recordings have been made by the Defendant without a written license from the plaintiff, which in particular includes, but is not restricted to the

musical and literary works embodied in the audio cassettes set out in Annexure "A".

7. While the aforesaid suit No. 1625/1999 was pending, the plaintiff claims to have received two letters. In one of those letters, the Defendant Company expressed its intention to make 10,000 Video Compact Disks (VCDs) and 5,000 audio cassettes relating to 14 literary, dramatic and musical works, the copyright in which vests with the plaintiff. The second letter expressed an intention to make 5,000 Audio Compact Disks (CDs) and 1,000 Digital Video Disks (DVDs). Admittedly, the Defendant had sent these letters by taking resort to the provisions of Section 52(1)(j) of the Act.

8. The plaintiff responded to these letters by refusing permission to the defendant to make any such copies. The plaintiff's stand was that DVDs and VCDs necessarily contain cinematograph films and do not fall under the category of sound recordings. Therefore, making cinematograph films, which can be sold on the medium of DVD and VCD, does not fall within the provisions of Section 52(1)(j) of the Act.

9. There was some correspondence exchanged between the parties on this issue, whereafter the Defendant did introduce certain VCDs and DVDs. The plaintiff claims that these VCDs and DVDs violate its copyrights in various works. Therefore, the plaintiff filed another suit being C.S.(OS) No. 399 of 2005. In the said suit the plaintiff has sought, inter alia, an injunction to restrain the Defendant from making cinematograph films embodying the literary and musical works, the copyright in which vests with the plaintiff, without obtaining a license.

10. The Defendant has filed its written statements and admits that it has been making version recordings of the literary and musical works, the ownership of which is claimed by the plaintiff in these suits. The Defendant's claim is that it creates fresh sound recordings by employing a different set of performers, musicians and artists who use the literary and musical works of the plaintiff. The Defendant's case is that it is entitled to make such recordings from the works in which plaintiff or any other person may own copyright provided the conditions prescribed in Section 52(1)(j) are fulfilled. According to the Defendant, the refusal of the express permission by the owners of the copyrights in the original literary, musical and dramatic works is immaterial for the purposes of making version recordings.

11. I have heard the counsels for the parties at length and considered the statutory provisions and the case law cited by them. The entire controversy revolves around interpretation of Section 52(1)(j) of the Copyright Act 1957 (The Act). Since the arguments have proceeded on the basis that the plaintiff is the owner of the copyrights in the original, literary, musical and dramatic works, of which the defendant has made version recordings, and the defendant's defence is founded upon Section 52(1)(j) of the Act, the submissions of learned Counsel for the defendant are being set out first.

DEFENDANT'S STAND

12. The thrust of the submissions of learned Counsel for the Defendant is founded on the plain language of Section 52(1)(j) of the Copyright Act, 1957 and Rule 21 of the Copyright Rules, 1958 (The Rules) as amended. Ld. counsel for the Defendant submits that the following conditions need only be fulfilled before the version recording or a subsequent sound recording in respect of any literary, dramatic or musical work (hereinafter referred to as "the work") can be made:

i) Sound recordings of that work have been made by, or with the consent of, the owner(s) of the copyright in the work(s) by a licence from such owner(s). In other words, the work(s) must have been authorisedly utilized for making of a sound recording before the version recording is made.

ii) The person who intends to make the version recording or subsequent sound recording of the work(s) has given a notice of his intention to make the sound recording to the owner(s) of the copyright in the work(s).

iii) The said person has also provided the owner(s) of the copyright in the work(s), copies of all covers or labels with which the version recording or subsequent sound recording is to be sold.

iv) The said person has paid in the prescribed manner royalty in respect of such version recordings or subsequent sound recordings to be made by him at the rate fixed by the Copyright Board to the owner(s) of the copyright in the work(s).

13. The Proviso to Clause (j) of Section 52(1) adds four further conditions which are:

i) That no alteration shall be made to the works which have not been made previously, by or with the consent of the owner(s) of the rights or which are not reasonably necessary for the adaptation of the work(s) for the purpose of making the sound recording.

ii) The sound recording shall not be issued with any packaging or label which is likely to mislead or confuse the public as to their identity.

iii) No such sound recording shall be made until two calendar years have expired after the end of the year in which the first sound recording of the work was made.

iv) The person making such sound recording shall allow the owner(s) of the copyrights or his/their agent(s) or representative(s) to inspect all the recordings and books of account relating to such sound recordings.

14. The argument of the counsel of Defendant is that once a literary, dramatic or musical work has been utilised for the purpose of making sound recordings with the consent of or by the license of the copyright owner(s) of such works, and a period of two calendar years has expired after the end of the year in which the first sound recording of such work(s) was made, any person who gives notice of his intention to make the version recording or subsequent sound recording, and

who has paid the royalty to the owner(s) at the rate fixed by the Copyright Board, may make a subsequent sound recording or version recording of the work(s), provided he follows the other conditions laid down in the said Section and the Copyright Rules. The said Section neither prescribes nor requires the obtainment of express consent/licence of the owner(s) of the copyright in the original literary, dramatic or musical work, much less of the owner of the Copyright in the sound recording initially made, and the permission is, therefore, in the nature of a statutory licence.

15. The defendant further contends that once such a version recording is made u/s 52(1)(j) the owner thereof gets all rights conferred by Section 14(e) on a lawfully made sound recording. The thrust of defendant's argument is that the right of the owner of copyright in the first sound recording and the owner of copyright in version recording co-exist and do not overlap. The defendant further contends that Section 52(1)(j) does not place any restrictions on the use to which the version recording can be put and the same can be used even for preparing a cinematograph film which is defined by the act as images accompanied by sound recording. The version recording does not lose its character of being a sound recording merely on being incorporated in a cinematograph film. The defendant further contends that the provision regarding supply of covers and labels is not mandatory but a directory provision, and compliance thereof is not necessary. The defendant further relies on Article 13 of Berne Convention to contend that the Indian law is in conformity with the convention.

plaintiff'S STAND

16. Learned Counsel for the plaintiff on the other hand submits that the prior consent of the owner(s) of the copyrights in the original literary, dramatic and musical works, which have earlier been utilized to make authorized sound recordings, and of the copyright owners in the initially made sound recording is essential, and no version recording or subsequent sound recording can be made without obtaining the express consent of such copyright owner(s).

17. Without prejudice to his aforesaid submission, on a demurrer, the submission of Mr. Lal, learned Counsel for the plaintiff is that even if we were to assume that the defendant by resort to Section 52(1)(j) of the Act is entitled to make version recordings in respect of the literary, dramatic or musical works of which earlier sound recordings have been made legally, the said right being in the nature of an exception to the copyright in the concerned literary, dramatic or musical work, the said provision should be narrowly construed.

18. He submits that for a version recording made u/s 52(1)(j) of the Act to be valid and legal, the person making the version recording should strictly comply with the provisions of the said section. Such a person is obliged to give notice of his intention to make his sound recordings and to provide copies of all covers or labels in which the sound recordings are to be sold, and to pay royalties to the

owner of the copyright in the underlying works, in respect of which such sound recordings/version recordings are to be made by him, at the rate fixed by the Copyright Board in this behalf.

19. He submits that while making such recording no alteration can be made to the work(s) which have not been made previously by or with the consent of the owner(s) of the copyrights, or which are not reasonably necessary for the adaptation of the work for the purpose of making the sound recordings. Thus, according to the plaintiff, remixing of music is not permitted since it amounts to alteration of musical work.

20. He submits that it is also essential that the sound recordings should not be issued in any form of packaging or with any label which is likely to mislead or confuse the public as to their identity. He submits that the legislature, while prescribing that the person making the version recordings shall provide copies of all covers or labels in which the version recordings are to be sold to the owner of the copyright in the works, has placed the onus upon the owner to determine whether or not the form of packaging and labels proposed to be used by the person making the version recordings is likely to mislead or confuse the public as to their identity.

21. He has referred to the various packagings and labels used by the defendants for the purpose of selling the version recordings produced by them to submit that they are highly misleading and confusing. He submits that the packaging and labels used by the defendants prominently display the names and titles of the original cinematograph films in which the sound recordings of the plaintiff were used as well as the names of the original artists utilised to make the original sound recording. The names of the artists employed by the defendant to make the version recording though mentioned, are displayed in a wholly innocuous manner. He submits that on account of the misleading packaging and the labels used by the defendants, an unsuspecting customer would be misled and deceived into purchasing the version recordings produced by the defendant by employing different artists and performers, thinking that what he is buying is from the original sound track of the cinematograph film. He submits that the version recordings produced by breach of the conditions laid down in any of the provisos, including the condition in proviso (ii) of Section 52(1)(j), cannot be said to be legally produced version recordings.

22. Mr. Lal further submits that the sound recording itself is a work and u/s 14(e), the copyright holder in a sound recording is entitled to: (i) make a copy of the sound recording; (ii) sell or give on hire, or offer for sale or hire, any copy of the sound recording, regardless of whether such copy has been sold or give on hire on earlier occasions; (iii) communicate the sound recording to the public.

23. He submits that where the work is a version recording, the copyright holder in such a work (version recording) cannot make any other sound recording embodying it i.e. embodying the version recording. He further submits that the

copyright holder in the version recording cannot give on hire, or offer for hire any copy of the sound recording and he cannot communicate the sound recording to the public. He submits that Section 52(1)(j) only permits the making of the version recording of the literary, dramatic or musical work for the purpose of sale and for no other purpose. In support of this submission he relies on Clause (ii) of Section 52(1)(j) which obliges the person making the sound recordings/ version recordings to give notice of his intention to make the sound recording and to provide copies "of covers or labels with which the sound recordings are to be sold". He therefore submits that it is not permissible for the defendant to exploit its version recording in any other manner, such as by licensing the exploitation of the version recording as a ring tone on mobile telephones.

24. Mr. Lal further submits that in respect of the literary, dramatic or musical works, the exclusive right to make any cinematograph film vests in the owner of the copy right in such works. The right to make a cinematograph film is distinct from the right to make a sound recording. He submits that the right to make a version recording of a literary, dramatic or musical work granted u/s 52(1)(j) is only confined to the making of a sound recording. He submits that the ambit of Section 52(1)(j) is limited, and resort cannot be had to the said provision for inclusion of version recording in cinematograph films. Similarly, the right to broadcast the literary, dramatic or musical works is a separate right. The copyright owner in a version recording cannot broadcast his version recording. He submits that the defendant, after making a sound recording of the literary and musical works of the plaintiff, inter alia, sells the same on compact discs with visual recording which accompany the sound recording. He submits that the same is not permissible as the right to make version recording is restricted to making of sound recordings and does not extend to the making of a cinematograph film.

25. He further submits that if the interpretation given by the defendant were to be accepted, it would defeat the copyright of the owners of copyright in the literary, dramatic and musical works utilized for making the sound recording, and of the owner of the copyright in the initially made sound recording inasmuch as, the copyright duration would, in effect, be reduced from at least 60 year to less than 3 years.

26. The plaintiff further submits that the artists have assigned the right of publicity to the producer. Reliance is placed on agreement dated 06.10.1980 filed with List of Documents dated 06.02.2006 by the plaintiff. It is contended that the plaintiff has been authorized to bring legal action on behalf of the producer vide Clause 17. The defendants have not challenged the said rights of the plaintiff in its written statement.

DISCUSSION

27. At the outset, Section 16 of the Act may be noticed. Section 16 provides that no copyright can be acquired in respect of any work except in accordance with

the provisions of the Act. Therefore, copyright is a statutory right. Only those rights which the Copyright Act creates; to the extent it creates, and; subject to the limitations that the Act imposes, vest in the owner of the copyright in the work, whether it is a primary work such as a literary, dramatic or musical work, or a derivative work such as a sound recording or cinematograph film. No right, which the Copyright Act does not expressly create can be inferred or claimed under the said Act.

28. The expression "work" is defined in Section 2(y) as:

"work" means any of the following works, namely: - (i) a literary, dramatic, musical or artistic work; (ii) a cinematograph film; (iii) a sound recording;

Section 2(o) defines "literary work" as:

"literary work" includes computer programmes, tables and compilations including computer [databases];

29. Section 2(h) defines "dramatic work" as:

dramatic work" includes any piece of recitation, choreographic work or entertainment in dumb show, the scenic arrangement or acting form of which is fixed in writing or otherwise but does not include a cinematograph film;

Section 2(p) defines "musical work" as:

"musical work" means a work consisting of music and includes 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.

The expression "sound recording" is defined in Section 2(xx) as:

"sound recording" means a recording of sounds from which such sounds may be produced regardless of the medium on which such recording is made or the method by which the sounds are produced;

Therefore, sound recordings refers to the recording of sounds on any medium from which the sounds may be produced. It is a derivative product which records, for future reproduction, sounds (which may consist of literary, dramatic or musical works). A sound recording is independent and separate from the literary, dramatic or musical work comprised in it.

The expression "Cinematograph Film" is defined in Section 2(f) as:

"Cinematograph Film" means 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 recording and "cinematograph" shall be construed as including any work produced by any process analogous to cinematography including video films;

Section 2(t) defines a plate to include, inter alia, device used or intended to be

used for reproducing copies of any work or other appliance by which sound recording for the acoustic presentation of the work are or are intended to be made. Therefore, it is through the medium of a plate that copies of the same sound recording are mechanically made.

Section 2(m) "defines "infringing copy" as:

"infringing copy" means,--

(i) in relation to a literary, dramatic, musical or artistic work, a reproduction thereof otherwise than in the form of a cinematographic film;

(ii) in relation to a cinematographic film, a copy of the film made on any medium by any means;

(iii) in relation to a sound recording, any other recording embodying the same sound recording, made by any means;

(iv) in relation to a programme or performance in which such a broadcast reproduction right or a performer's right subsists under the provisions of this Act, the sound recording or a cinematographic film of such programme or performance.

If such reproduction, copy or sound recording is made or imported in contravention of the provisions of this Act;

Therefore, an infringing copy of a literary, dramatic or musical work is one which is reproduced, copied or made into a sound recording or cinematograph film in contravention of the provisions of the Act. An infringing copy of a sound recording is one which embodies the same sound recording made by any means.

30. Section 13 defines the works in which copyright subsists, the relevant portion of which reads as follows:

(1) Subject to the provisions of this section and the other provisions of this Act, copyright shall subsist throughout India in the following classes of works, that is to say--

(a) original literary, dramatic, musical and artistic works;

(b) cinematograph films; and

(c) sound recording,

(2)

(3) Copyright shall not subsist--

(a) in any cinematograph film if a substantial part of the film is an infringement of the copyright in any other work;

(b) in any [sound recording] made in respect of a literary, dramatic or musical work, if in making the [sound recording], copyright in such work has been

infringed.

(4) The copyright in a cinematograph film or a [sound recording] shall not affect the separate copyright in any work in respect of which or a substantial part of which, the film, or, as the case may be, the [sound recording] is made.

(emphasis supplied)

31. From the above, it appears that copyright subsists in the different kinds of works defined in Section 2(y), and the extent of those rights is clearly delineated in Section 13, which is subject to the various provisions of the said section and the other provisions of the Act. It is evident from a bare reading of Sub-section (3) of Section 13 that copyright does not subsist in a sound recording which is made from literary, dramatic or musical work, if in the making of such sound recording, copyright in any literary, dramatic or musical work has been infringed. Sub-section (4) further clarifies that mere utilization of a work for making a cinematograph film or sound recording does not affect the separate copyright in such work. Therefore, the copyright in the primary and original literary, dramatic and musical works as also a separate copyright in sound recording or cinematograph film made therefrom co-exist, and the copyright in the primary and original works continue to subsist for exploitation by the owner(s) thereof in future and those rights are not affected by the factum of the making of a cinematograph film or a sound recording, the copyright(s) of which may vest in different owners. However, as already noticed, all copyrights are subject to the various provisions of the Act.

32. Section 14 explains the content and gamut of rights comprised in the "copyright" in relation to various kinds of works. 14(a) deals with literary, dramatic or musical work and lists the following rights which exclusively vest in the owner of such works:

- (i) to reproduce the work in any material form including the storing of it in any medium by electronic means;
- (ii) to issue copies of the work to the public not being copies already in circulation;
- (iii) to perform the work in public, or communicate it to the public;
- (iv) to make any cinematograph film or sound recording in respect of the work;
- (v) to make any translation of the work;
- (vi) to make any adaptation of the work;
- (vii) to do, in relation to a translation or an adaptation of the work, any of the acts specified in relation to the work in Sub-clauses (i) to (vi);

Section 14(d) deals with cinematograph films and lists the following exclusive rights which vest in the owner:

(i) to make a copy of the film including a photograph of any image forming part thereof;

(ii) to sell or give on hire or offer for sale or hire, any copy of the film, regardless of whether such copy has been sold or given on hire on earlier occasions;

(iii) to communicate the film to the public;

Section 14(e) deals with sound recordings and lists the following exclusive rights in the owner of the copyright:

(i) to make any other sound recording embodying it;

(ii) to sell or give on hire, or offer for sale or hire, any copy of the sound recording, regardless of whether such copy has been sold or given on hire on earlier occasions;

(iii) to communicate the sound recording to the public. Explanation.--For the purposes of this section, a copy which has been sold once shall be deemed to be a copy already in circulation.

33. The rights conferred by Section 14 are "subject to the provisions of this Act". Therefore, Section 14 has to be read in the light of, and subject to the other provisions of the Act. It is seen that the copyright in derivative works viz. cinematograph film and sound recordings are limited right when compared to the rights in primary works viz. literary, dramatic or musical works.

34. The limited rights conferred by Section 14(e) on the owner of copyright in a sound recording (viz. the exclusive right to make other sound recording embodying it; to sell or hire any copy of the sound recording; or to communicate the sound recording to the public) harmonizes with the rights which vest in the owner of the primary literary, dramatic and musical work utilized to make a sound recording. The owner(s) of copyright in the literary, dramatic and musical works can make or authorize the making of a new sound recording by utilizing the same literary, dramatic or musical work which may earlier have been utilized for making an earlier sound recording. This right is not abridged or taken away by the said provision. Therefore, it is permissible to make another sound recording, may be by utilizing the same or different set of musicians, singers or artists by utilizing the same literary, dramatic or musical work. The owner of the Copyright in the earlier produced sound recording cannot object to the making of such subsequent sound recordings or version recordings merely because he is the owner of the copyright in the earlier made sound recording. His exclusive rights are confined to the exploitation of "his" work i.e. "his" sound recording in which he owns the copyright and does not give him the right to interfere or intermeddle with the exploitation of copyright(s) in the original primary works viz. the literary, dramatic and musical works by the author(s). This position is clear from Sub-section (4) of Section 13 of the Act, which states that the copyright in a sound recording shall not affect the separate copyright in any work in respect of which the sound recording is made. Any other interpretation would

render Sub-section (4) of Section 13 otiose, and nullify the copyrights conferred on the author of a literary, dramatic or musical work to make or authorize, inter alia, the making of any subsequent sound recording of his work, once his work has been utilized by any person to make a sound recording. From Section 2(m) it is clear that unless a sound recording actually embodies a previous sound recording or a substantial part thereof, there is no copying or infringement of the copyright of the owner of a sound recording. The copyright of the owner of a sound recording does not get infringed on account of the making of another sound recording by using the same original literary, musical or dramatic work.

35. Section 17 describes how and by whom the copyright in any work is acquired for the first time. Sections 18 - 21 deal with assignment, transmission and relinquishment of copyright. Section 22 deals with the term of copyright in published literary, dramatic and musical or artistic work and stipulates that such term shall be 60 years from the beginning of the calendar year next following the year in which the author dies. Sections 26 and 27 deal with term of copyright in cinematograph film and sound recording and such term is 60 years from the beginning of the calendar year next following the year in which the film or the sound recording is published.

36. Chapter VI deals with licences. Section 30 deals with voluntary licences which may be granted by the owner of the copyright to another person. Sections 31, 31A, 32, 32A, 32B deal with compulsory licences which may be granted by the Copyright Board to persons interested to reproduce or publish certain works in certain circumstances and for certain specific purposes. Section 38 and 39 deal with performer's rights.

37. Chapter XI of the Act deals with infringement of copyright. Section 51 provides that:

(1) Copyright in a work shall be deemed to be infringed--

(a) when any person, without a licence granted by the owner of the copyright or the Registrar of Copy rights under this Act or in contravention of the conditions of a licence so granted or of any condition imposed by a competent authority under this Act-

(i) does anything, the exclusive right to do which is by this Act conferred upon the owner of the copyright, or,

(ii) permits for profit any place to be used for the communication of the work to the public where such communication constitutes an infringement of the copyright in the work, unless he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright; or

(b) when any person--

(i) makes for sale or hire, or sells or lets for hire, or by way of trade displays or

offers for sale or hire, or

(ii) distributes either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright, or

(iii) by way of trade exhibits in public, or

(iv) imports into India,

any infringing copies of the work:

[Provided that nothing in Sub-clause (iv) shall apply to the import of one copy of any work, for the private and domestic use of the importer.]

Explanation.--For the purposes of this section, the reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film shall be deemed to be an "infringing copy".

38. Section 52 provides certain statutory exceptions and protects certain acts which, except for the protection of the said section, would have amounted to infringement of copyright. The relevant portion of Section 52 reads as follows:

Section 52 - Certain acts not to be infringement of copyright

(1)The following acts shall not constitute an infringement of copyright, namely:-

.....

(j) the making of sound recordings in respect of any literary, dramatic or musical work, if--

(i) sound recordings of that work have been made by or with the licence or consent of the owner of the right in the work;

(ii) the person making the sound recordings has given a notice of his intention to make the sound recordings, has provided copies of all covers or labels with which the sound recordings are to be sold, and has paid in the prescribed manner to the owner of rights in the work royalties in respect of all such sound recordings to be made by him, at the rate fixed by the Copyright Board in this behalf:

Provided that--

(i) no alterations shall be made which have not been made previously by or with the consent of the owner of rights, or which are not reasonably necessary for the adaptation of the work for the purpose of making the sound recordings;

(ii) the sound recordings shall not be issued in any form of packaging or with any label which is likely to mislead or confuse the public as to their identity;

(iii) no such sound recording shall be made until the expiration of two calendar years after the end of the year in which the first recording of the work was made; and

(iv) the person making such sound recordings shall allow the owner of rights or his duly authorized agent or representative to inspect all records and books of account relating to such sound recording:

Provided further that if on a complaint brought before the Copyright Board to the effect that the owner of rights has not been paid in full for any sound recordings purporting to be made in pursuance of this clause, the Copyright Board is, *prima facie* satisfied that the complaint is genuine, it may pass an order *ex parte* directing the person making the sound recording to cease from making further copies and, after holding such inquiry as it considers necessary, make such further order as it may deem fit, including an order for payment of royalty;

Therefore, in order to ascertain whether a particular act amounts to infringement of any work, Sections 51 and 52 would have to be read together.

39. Section 52A describes the particulars which have to be displayed on the sound recording or cinematograph films published in the form of audio cassettes and video cassettes.

40. The copyright Rules 1958 may also be referred to. Chapter IV-A deals with compulsory licences. Chapter VII Rule 21 deals with sound recordings made u/s 52(1)(j) and reads as follows:

(1) Any person intending to make sound recordings under Clause (j) of Sub-section (1) of Section 52 shall give a notice of such intention to the owner of the copyright and to the Registrar of Copyrights at least fifteen days in advance of making of the sound recordings and shall pay to the owner of the copyright, along with the notice, the amount of royalties due in respect of all sound recordings to be made at the rate fixed by the Copyright Board in this behalf and provide copies of all covers and labels with which the sound recordings are to be sold.

2. Such notice shall contain the following information, namely:

(a) The particulars of the work in respect of which sound recordings are to be made;

(b) Alterations, if any, which are proposed to be made for the adaption of the work to the sound recordings;

(c) The name, address and nationality of the owner of the - Copyright in the work;

(d) Particulars of the sound recording made previously recording the work;

(e) the number of sound recording intended to be made; and

(f) The amount paid to the owner of the copyright in the work by way of royalties and the manner of payment.

41. The scheme of the Act, as to grant of licences and assignments is clear.

Wherever under the Act the Copyright Board is authorized to issue a compulsory licence, provision has been made for making an application to the Board for the said purpose. However, Section 52(1)(j) of the Act does not require any application to be made for obtaining consent/licence either to the Copyright Board or to owner of the Copyright(s) in the work(s) already authorizedly utilized for making a sound recording, much less to the owner of the copyright in the earlier made sound recording. Had the said provision intended that express, or even implied consent of such owner(s) is essential, it would have specifically said so. In any event, if prior permission from such owners was essential, then there was no need for enacting Section 52, as Section 30 (which provides for voluntary licence) would have adequately taken care of the situation. It also cannot be said that to make a new sound recording a compulsory licence from the Copyright Board is required to be obtained as there is no provision for making any application to the Copyright Board for this purpose, and had such a licence been required there was, again, no need to place the provision concerned in Section 52.

42. Section 52 protects certain actions which otherwise would amount to an infringement of copyright. Evidently, exploitation of the literary, dramatic or musical work(s) for making a sound recording with the consent of the owner of copyright(s) or by compulsory licence from the Board cannot be considered to be an infringement. Where such express consent/licence is obtained either voluntarily from the owner(s) or a compulsory licence is obtained from the Copyright Board, Section 52 would have no application. Only if the conditions set out in Section 52 are satisfied, the action would be saved from being condemned as infringement of copyright.

43. There seems to be no ambiguity in the language employed by the legislature in formulating Section 52(1)(j). Therefore, the golden rule of construction need only be employed. The plain literal construction of the said Section is also in consonance with the scheme of the Act and the textual and contextual setting in which the said provision appears. I may notice that similar distribution of rights involving "statutory licencing" is prevalent in Australia (as is evident from the decision of the Federal Court of Australia in *CBS Records Australia Ltd. and Ors. v. Telmak Teleproducts (Aust.) Pvt. Ltd.* 8 IPR 473, in U.S.A. (as is evident from the commentary "KOHN ON MUSIC LICENSING", extracts from 2nd edition of which has been filed by learned Counsel for the defendant). Also filed on record is extract of "Copyright Principles", Law and Practice by Paul Goldstein Vol.1, which is to the same effect. World Copyright Law - Protection of Author's Works, Performances, Phonograms, Films, Video, Broadcasts and Published Editions in National, International and Regional Law (1998 edition) by J.A.L. Sterling LL.B. is also to the same effect. No doubt, the Law of compulsory licencing has undergone a change in the U.K. and the same has been done away with the enactment of the 1988 Act "in recognition of the fact that the conditions of the market had long since changed and that have had been a breakdown of the consensus=....." (see Copinger and Skone James on Copyright, 15th

edition, 2005), but the fact remains that prior to 1988, even in the U.K. compulsory licencing was prevalent. In India, statutory licencing is very much a part of the law as embodied in, inter alia, Section 52 and merely because in the U.K. the same has been abolished in 1988 is no ground to give a restricted interpretation to the provisions of the Act, which do not admit of any ambiguity in their interpretation. The Supreme Court has held in *Gramophone Company of India Ltd. Vs. Birendra Bahadur Pandey and Others*, (hereinafter referred to as "Gramophone V") that municipal law must prevail in case there is conflict with International Law. National courts will endorse International Law but not if it is in conflict with national law.

44. I find no merit in the submission of learned Counsel for the plaintiff that if the above interpretation of the provisions of the Act (as is canvassed by learned Counsel for the defendant in so far as it pertains to the making of sound recording) is adopted, the copyright bestowed by Section 14 on the author(s) of the original literary, dramatic and musical works would be reduced to a mere right to collect royalties. I also do not find merit in the submission that Section 13(4) and Section 18, 19, 30 and 30A would also be rendered meaningless. Section 52(1)(j) only deals with exploitation of only those literary, dramatic or musical work which the author of the work has already voluntarily permitted to be made into sound recordings, and has thereby thrown his work in the public domain in the form of a sound recording. The law grants him the right to exclusively make sound recordings and the rights which go with it (under Section 14(e)) until the expiration of two calendar years after the end of the year in which the first recording of the work was made. However, thereafter the right to make version recordings or further sound recordings becomes available to others as well, subject to the conditions of Section 52 and Rule 21 of the Rules being complied with. Right of the owner of the copyright in the original literary, dramatic or musical work to exclusively exploit his work in all the other respects specified in Section 14(a) remains unaffected. Only the right to make or authorize the making of sound recordings [conferred by Section 14(a)(iv)] gets diluted, inasmuch as, the same can be exploited by others as well upon payment of royalty and subject to compliance of the conditions laid down in Section 52(1)(j) of the Act, and Rule 21 of the Rules, even without the consent of the owner. Since the rights conferred by Section 13 are subject to the provisions of the said Section and subject to the provisions of the Act, and the rights conferred by Section 14 are subject to other provisions of the Act, which includes Section 52 of the Act, the owner of the copyright in the original literary, dramatic or musical works who has already authorized the making of sound recordings of his work, cannot have a grievance that any other person is also statutorily authorized to make sound recordings of his work upon payment of royalties fixed by the Copyright Board and upon the fulfillment of the conditions prescribed in Section 52(1)(j) of the Act and Rule 21 of the Copyright Rules.

45. A Division Bench of this Court (to which I was a party) in *Microfibres Inc. v. Girdhar & Co. and Anr.* RFA(OS) No. 25/2006, decided on 28.05.2009 has

recently interpreted Section 15 of the Copyright Act in the light of Section 2(c) of the Act and Section 2(d) of the Designs Act. Section 15 of the Act reads as follows:

15. Special provision regarding copyright in designs registered or capable of being registered under the Designs Act, 1911. -

(1) Copyright shall not subsist under this Act in any design which is registered under the Designs Act, 1911 (2 of 1911)

(2) Copyright in any design, which is capable of being registered under the Designs Act, 1911 (2 of 1911), but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright, or, with his licence, by any other person.

The Bench held that:

the legislative intent was to grant a higher protection to pure original artistic works such as paintings, sculptures etc and lesser protection to design activity which is commercial in nature. The legislative intent is, thus, clear that the protection accorded to a work which is commercial in nature is lesser than and not to be equated with the protection granted to a work of pure Article

In my view, the same philosophy has inspired the enactment of Section 52(1)(j) of the Act. Therefore, in respect of a literary, dramatic or musical work, which has been circulated to the public by its author himself or under his authority, by making a sound recording, the protection of the author's copyright is diluted so far as the making of subsequent recordings is concerned. Though he continues to own the copyright, his express consent is not necessary for making subsequent or version recordings if they are made in compliance with Section 52(1)(j) of the Act and Rule 21 of the Rules. The owner of copyright in the previous sound recording made by exploiting the original literary, dramatic or musical works in nowhere in the picture here as his right, as already pointed out, is restricted to exploiting his own sound recording.

46. Various decisions have been cited at the bar in which reference to Section 52(1)(j) was made incidentally, or wherein the said provision was directly in question. I shall now proceed to deal with them one by one chronologically.

47. The first decision which has been cited at the Bar is Gramophone Co. of India v. Super Cassettes Industries Ltd. 1996 PTC (16) 252 (hereinafter referred to as "Gramophone I"). The said decision rendered by a learned Single Judge of this Court deals with the application of Section 52(1)(j) of the Act, though the facts of that case were materially different. The Ld. Single Judge found that "Admittedly no prescribed notice of intention of the defendants to make the records was given to the plaintiff company. Even royalties in respect of the records to be made had not been paid to the plaintiff company." The Ld. Single Judge also found that none of the parties had pleaded that the melody and the

harmony i.e. the music had ever been printed, reduced to writing or otherwise graphically produced or reproduced. He held that therefore, there was no averment of the existence of a "musical work" which could have been the subject matter of Copyright or its infringement. The Ld. Single Judge treated the case as one of passing off. While dealing with Section 52(1)(j) , the learned Single Judge held:

What is a version recording? A version recording, we are told, is a sound recording made of an already published song by using another voice or voices and with different musicians and arrangers. Versions recording is thus neither copying nor reproduction of the original recording.

(emphasis supplied)

48. The next decision cited is The Gramophone Company of India Ltd. v. Super Cassette Industries Ltd. 1999 PTC 2 (Del) (hereinafter referred to as "Gramophone II") which is also a decision of a Ld. Single Judge of this Court. While deciding an application under Order 39 Rule 1 and 2 the Ld. Single Judge after referring to various provisions of the Copyright Act including those pertaining to assignments and licences also refers to Section 52(1)(j) of the Act. He thereafter observes:

...Aforesaid Section 52(1)(j) has to be read in harmony with the aforementioned provisions of the Act. Considering all these provisions together, I am not inclined to accept the said submission advanced on behalf of the defendant that on dispatch of the cheque for Rs. 2,230/- towards royalty which was indisputably returned by the plaintiff simultaneously intimating that it did not permit the defendant to make the version recording of their songs, the defendant automatically became entitled u/s 52(1)(j) to make the sound recordings of the work of the plaintiff and the plaintiff is only entitled to statutory fee. I am also not inclined to agree with the other limb of the submission referred to above made on behalf of the defendant that there is no infringement of copyright within the meaning of Section 51 of the Act as the singers of the said work of the plaintiff and the defendant are different.

49. With due respect, I find that the learned Judge has not given any reasons for his aforesaid conclusions. The various provisions of the Copyright Act, apart from being referred to, have not been examined and their effect has not been analyzed. With respect, there is no binding ratio deductible from this decision.

50. A Full Bench of this Court has extensively dealt with the process of distinguishing the ratio of a case from obiter dicta and culling out binding precedents in Ex NK Dilbag v. UOI and Ors. 152 (2008) DLT 148 (FB).

51. The Full Bench speaking through Sen, J. observed:

5...It is trite that we are duty-bound to apply the ratio decidendi of these pronouncements of the Apex Court. We must, therefore, be clear in our minds of the manner in which the ratio decidendi of a decision is to be drawn. Municipal

Corporation of Delhi Vs. Gurnam Kaur, , lays down that the ratio decidendi is the principle upon which the case is decided and statements which do not partake of this character are obiter dicta which do not have authoritative force.

6. The frequently quoted opinion of the House of Lords in *Quinn v. Leatham* 1901 AC 495:(1900-3) All.ER 1 is to the effect that "every judgment must be read as applicable to the particular facts proved or assumed to be proved The other is that a case is only an authority for what is actually decides". These quotations have been reiterated in *Goodyear India Ltd., Gedore (India) Pvt. Ltd., Kelvinator of India Ltd. and the Food Corporation of India and Another Vs. State of Haryana and Another*, and *The State of Orissa Vs. Sudhansu Sekhar Misra and Others*, . In the latter case, the Court explicitly opined that "a decision on a question which has not been argued cannot be treated as a precedent". Their Lordships, in turn, referred back to the previous opinion in *Rajput Ruda Meha and Others Vs. State of Gujarat*, in which it had similarly been stated that where an issue has neither been raised nor argued any decision by the Court, even after "pondering over the issue in-depth", would not become a binding precedent. Similar observations have been made by the Constitution Bench in *Padmasundara Rao and Others Vs. State of Tamil Nadu and Others*, , as is evident from the following extract:

Courts should not place reliance on decisions without discussing as to how the factual situation fits in with the fact situation of the decision on which reliance is placed. There is always peril in treating the words of a speech or judgment as though they are words in a legislative enactment, and it is to be remembered that judicial utterances are made in the setting of the facts of a particular case, said Lord Morris in *Herrington v. British Railways Board* (1972) 2 WLR 537. Circumstantial flexibility, one additional or different fact may make a world of difference between conclusions in two cases.

7. *Bhavnagar University Vs. Palitana Sugar Mill Pvt. Ltd. and Others*, , cautions that, "a little difference in facts or additional facts may make a lot of difference in the precedential value of a decision". In *Director of Settlements, Andhra Pradesh and Others Vs. M.R. Apparao and Another*, , a Three-Judge Bench has opined that "Article 141 of the Constitution unequivocally indicates that the law declared by the Supreme Court shall be binding on all Courts within the Territory of India. The aforesaid article empowers the Supreme Court to declare the law. It is, therefore, an essential function of the Court to interpret a legislation. The statements of the Court on matters other than law like facts may have no binding force as the facts of two cases may not be similar. But what is binding is the ratio of the decision and not any finding of facts. It is the principle found out upon a reading of a judgment as a whole, in the light of the questions before the Court that forms the ratio and not any particular word or sentence. To determine whether a decision has "declared law" it cannot be said to be a law when a point is disposed of on concession and what is binding is the principle underlying a decision. A judgment of the Court has to be read in the context of questions which arose for consideration in the case in which the judgment was delivered.

An "obiter dictum" as distinguished from a ratio decidendi is an observation by the Court on a legal question suggested in a case before it but not arising in such manner as to require a decision. Such an obiter may not have a binding precedent as the observation was unnecessary for the decision pronounced, but even though an obiter may not have a binding effect as a precedent, but it cannot be denied that it is of considerable weight. The law which will be binding under Article 141 would, therefore, extend to all observations of points raised and decided by the Court in a given case". The Constitution Bench has also reiterated this view in *Islamic Academy of Education and Another Vs. State of Karnataka and Others*, , viz. that the ratio decidendi of a judgment can be obtained only from a reading of its entirety. The opinion of the Apex Court in *Bharat Petroleum Corporation Ltd. and Another Vs. N.R. Vairamani and Another*, , is in similar vein. Their Lordships observed that, "Observations of Courts are neither to be read as Euclid's theorems nor as provisions of the statute and that too taken out of their context. These observations must be read in the context in which they appear to have been stated. Judgments of Courts are not to be construed as statutes". This is also the opinion of the Court in *Punjab National Bank Vs. R.L. Vaid and Others*, . In *State of Gujarat and Others Vs. Akhil Gujarat Pravasi V.S. Mahamandal and Others*, , the Hon"ble Supreme Court has observed that "any observation made during the course of reasoning in a judgment should not be read divorced from the context in which they were used". In *Zee Telefilms Ltd. and Another Vs. Union of India (UOI) and Others*, , the Apex Court has unequivocally declared that "a decision is not an authority for the proposition which did not fall for its consideration". In *M/s. A-One Granites Vs. State of U.P. and Others*, , it had been contended that the controversy was covered on all fours by a previous decision of the Court. The contention was rejected in these words:

This question was considered by the Court of Appeal in *Lancaster Motor Co. (London) Ltd. v. Bremith Ltd.* (1941) 1 KB 675 , and it was laid down that when no consideration was given to the question, the decision cannot be said to be binding and precedents sub silentio and without arguments are of no moment. Following the said decision, this Court in the case of *Municipal Corporation of Delhi Vs. Gurnam Kaur*, , observed thus (at p. 43 of AIR).

In *Gerard v. Worth of Paris Ltd. (K)* (1936) 2 All ER 905 (CA), the only point argued was on the question of priority of the claimant's debt, and on this argument being heard, the Court granted the order. No consideration was given to the question whether a garnishee order could properly be made on an account standing in the name of the liquidator. When, therefore, this very point was argued in a subsequent case before the Court of Appeal in *Lancaster Motor Co. (London) Ltd. v. Bremith Ltd.*, (1941) 1 KB 675, the Court held itself not bound by its previous decisions. Sir Wilfrid Greene, M.R., said that he could not help thinking that the point now raised had been deliberately passed sub silentio by Counsel in order that the point of substance might be decided. He went on to say that the point had to be decided by the earlier Court before it could make the

order which it did; nevertheless, since it was decided "without argument, without reference to the crucial words of the rule, and without any citation of authority, it was not binding and would not be followed. Precedents sub silentio and without argument are of no moment. This rule has ever since been followed.

In *State of U.P. and Another Vs. Synthetics and Chemicals Ltd. and Another*, , reiterating the same view, this Court laid down that such a decision cannot be deemed to be a law declared to have binding effect as is contemplated by Article 141 of the Constitution of India and observed thus: "A decision which is not express and is not founded on reasons nor it proceeds on consideration of issue cannot be deemed to be a law declared to have a binding effect as is contemplated by Article 141." In the case of *Arnit Das Vs. State of Bihar*, , while examining the binding effect of such a decision, this Court observed thus (Para 20): "A decision not expressed, not accompanied by reasons and not proceeding on a conscious consideration of an issue cannot be deemed to be a law declared to have a binding effect as is contemplated by Article 141. That which has escaped in the judgment is not the ratio decidendi. This is the rule of sub silentio, in the technical sense when a particular point of law was not consciously determined...."

8. We have gone into some detail on the principle of stare decisis since it is our considered opinion that the Division Benches have incorrectly applied the above mentioned decisions of the Supreme Court. It is imperative that the facts of each case must first be noticed with clarity and precision and only thereafter, in the context of the facts determinative of the decision, should the enunciation of the law by the Court be distilled. It also seem plain to us that Their Lordships whilst passing "Order" in contra-distinction to the "judgment" intend to dispose of the controversy before them restricted to the fact situation therein, with no intention to lay down any principle of law. "

(emphasis supplied)

52. In the light of the above dictum I am of the view that there is no binding ratio flowing from *Gramophone II*. As already noticed, there are no discernible reasons given by the learned Judge for his opinion. In any event, in *FAO(OS) No. 28/1999* against the decision in *Gramophone II*, the Division Bench vide order dated 04.02.2003 held that the same would not constitute a binding precedent as the observation made by the learned Single Judge were tentative in nature and so was the view taken by him.

53. The next decision which was relied upon is the decision of the Karnataka High Court in *Gramophone Co. of India Ltd. v. Mars Recording Pvt. Ltd. and Ors.* 2000 PTC 117 (hereinafter referred to as "*Gramophone III*"). The said decision takes note of the decision in *Gramophone II* (supra) and the Ld. Single Judge observes that "it is clear that Section 52(1)(j)(ii) were not considered in detail". The Ld. Single Judge while dealing with the situation where the copyright owner fails to communicate his acceptance or refusal within the period of fifteen days opined

that:

...the licence is deemed to have been granted and the person producing the cassette after the expiry of 15 days is not said to have infringed copyright. If S. 52(1)(j)(i) & (ii) are read conjointly, S. 52(1)(j)(ii) becomes redundant and such narrow interpretation cannot be given to defeat the very object and purpose of Section 52(1)(j)(ii). From a perusal of R.21 it is clear that it is framed so as to enable a person intending to make a sound recording to obtain consent or licence from the copyright owner by complying with the requirements of sending a notice of such intention to the owner of copyright and to the Registrar of Copyrights giving 15 days notice in defence of making the sound records and also paying the required amount and the rate of royalty is as fixed by the Copyright Code (sic) Board in this behalf.

It is not in dispute that the royalty is not a thing to be bargained as it is fixed by the copyright board with particulars of the inlay cards. S. 52(1)(j)(ii) does not require prerequisite consent from the owner. The owner is entitled for royalty fixed and a notice of the intention of the respondent to make the cassettes. It is also necessary to mention that the intention of the respondent is not copying but making sound recording. Admittedly, the musician is different, singer is different, only the respondent is using the lyrics owned by the appellant. S. 52(1)(j)(ii) does not go into the question of negotiation thereby consent is not required. S. 52(1)(j)(ii) recognizes the right of copyright owner. The respondent has made an independent recording. The recording of respondent and also the appellant are different. Quality of sound recording is also different from each other. S. 20 gives the right to owner for 60 years which is subject to the provisions of S. 20 which deals with transmission of copyright in manuscript by testamentary its position(sick) disposition. S. 14(a)(iii) reads thus:

For purposes of this Act, "Copyright" means the exclusive right subject to the provisions of this Act, to do or authorize the doing of any of the following acts in respect of a work or any substantial part thereof, namely:

(iii) to perform the work in public, or communicate it to the public;"

As far as this case is concerned, the 3rd clause is relevant. Therefore, there is no dispute with regard to application of this provision but S. 14 is made subject to the provisions of this Act i.e. including the exception provided u/s 52(1)(j). In this case, as indicated above, the respondent has complied with the requirement of S. 52(1)(j)(ii) and the refusal letter was received by the respondent only after a lapse of 15 days. Therefore, since the time of 15 days is mentioned in Rule 21, it has to be construed that there is a deemed provision of having given consent. Therefore, the Court below is right in holding that sub-clause. (i) & (ii) of S. 52(1)(j) shall be read disjunctively and not conjointly. Therefore, the learned Counsel for the respondent submitted that S. 52(1)(j)(ii) is an exception to the general provisions of this Act. This argument according to me is well founded.

54. The said decision deals with the interpretation of Section 52(1)(j) of the Act.

However, Ld. counsel for the plaintiff submitted that the decision in Gramophone III (supra) has since been set aside by the Supreme Court in a SLP and the same is reported as Gramophone Co. of India Ltd. v. Mars Recording Pvt. Ltd. and Anr. 2001 PTC 681 (SC) (hereinafter referred to as "Gramophone IV").

55. A perusal of the judgment of the Supreme Court shows that the Supreme Court set aside the decision not because it did not agree with the interpretation adopted by the Karnataka High Court in respect of Section 52(1)(j) of the Act, but because the Supreme Court found that the facts necessary in support of the submission being made before it that "sound recordings in respect of the musical cassette in question have been previously made with the consent of the copyright owner; that in case of musical record, it is only such record which embodies sound recording which amounts to infringement, but if another signal is created such as in the case of version recording it is not an infringement" were not pleaded in the plaint. Therefore, the court found that "in order to attract the provision of Section 52(1)(j) of the Act or to fall outside the scope of Section 2(m) of the Act it was imperative to plead and establish these aspects". Therefore, the decision of the High Court was set aside and it was left open to the parties to lay down the factual foundation for the same by way of amendment or otherwise. I find that the Supreme Court did not express any opinion one way or another on the merits of the rival interpretations being canvassed in respect of Section 52(1)(j) by the parties or the one adopted by the Hon'ble High Court of Karnataka.

56. The next decision on which much emphasis has been laid by the plaintiff is of a Single Judge of this High Court in Super Cassette Industries Limited Vs. Bathla Cassette Industries Pvt. Limited, . The Ld. Single Judge was seized of a matter where the plaintiff was seeking to injunct the defendant from violating its copyright in the version recordings made by the plaintiff therein. The defendant raised a defence that the plaintiff's recording were not made in compliance with Section 52(1)(j) of the Act and since the sound recordings of the plaintiff infringed the copyright of a third party, the plaintiff never possessed any copyright in its sound recordings. It was pleaded that any sound recording made by resort to Section 52 cannot be subject matter of protection under the provisions of Copyright Act, as such a sound recording is a derived product and not an original work.

57. The plaintiff in that case had claimed that by engaging a new orchestra and singer, a new sound recording was produced while employing lyrics (literary work) and musical composition (the musical work), [the Copyright(s) in which vested with a third party]. It was argued that a substantially new work had been created by the plaintiff therein.

58. The learned Judge concluded that while the notice u/s 52 gave no indication of any adaptation or modification in the work sought to be converted into a sound recording u/s 52, the plaintiff did indeed substantially alter the work by engaging a different orchestra and signer. The learned Judge held that there was

non-compliance of Rule 21(2)(b) as, in the notice given to the owner of the copyrights in the literary, dramatic and musical works, no alteration or omission to the work was specified, except for a bare averment that the alterations, if any, will only be made if they are reasonably necessary for the adoption of the work to the record in question. The learned Single Judge held the plaintiff to his averment in the suit that a substantially new arrangement had come into being while making the version recordings, and since the consent of the original copyright owner in the literary, dramatic and musical works had not been obtained, the court held that the conditions of Section 52(1)(j) and Rule 21(2)(b) had not been complied with.

59. The learned Single Judge took the view that a change of the singer who sings the same lyrics to the same musical score for producing the version recording amounts to an alteration, which cannot be said to be reasonably necessary for adaptation of the work to the record in question. The learned Judge held that a change of the singer in a vocal recording is a change in the most vital constituent of the recorded song and it cannot be done without the previous permission of the owner of the original recording as per the mandate of Section 52(1)(j) of the Act. He held that to construe Section 52(1)(j) to give an avenue to version recordings which involve the change of singer / or orchestra without consent of the original owner would amount to encouraging and putting premium on what, in his view, constitutes a blatant and an ill-concealed attempt to plagiarize under the misconstrued interpretation of Section 52(1)(j) . He also was of the view that a version recording cannot be considered to be an independent sound recording entitled to an independent copyright.

60. From the decision it appears that the learned Single Judge was of the view that a new sound recording or version recording produced by utilizing the same lyrics and musical composition infringes the copyright of the owner of the previous sound recording. The learned Single Judge also appears to be of the view that the works referred to in Section 52(1)(j) , of which a sound recording is to be made, includes any previously made sound recording.

61. The learned Single Judge gave the following interpretation to Section 52(1)(j) :

22. Thus Section 52(1)(j) must, therefore, be interpreted to mean as follows:

(a) If a sound recording u/s 52(1)(j) is to be made there should be prior consent of the owner when a change as significant as the change of the singer is being contemplated. This is clearly indicated by the fact that the integrity of the original sound recording in question which is a vocal rendering is clearly affected by the substitution of the singer. Such a change may not be discernible to a lay listener as is indeed the finding after listening to and comparing the plaintiff's tape and the original work. However to the owner of the sound recording, the vital substitution of the singer is clearly a change which cannot fall within a change necessary for adaptation of the work as neither a change has been made

by the original owner of the work nor has permission been granted for the plaintiff's adaptation by the original owner.

(b) In case the prior consent of the owner is not forthcoming for such changes, a sound recording u/s 52(1)(j) cannot be made in law and in any case even if made acquires no legally enforceable rights.

(c) Even proceeding on the assumption that Section 52(1)(j) was complied by and available to the plaintiff, such a recording is at the highest only entitled to protection against an action by the original owner averring copyright infringement. Such a version recording produced u/s 52(1)(j) cannot in any even acquire independent rights capable of assertion against other alleged infringers.

62. With utmost respect to the learned Judge and after having given my deep consideration to the said decision in the light of the statutory provisions and the earlier cited case law, I am of the view that the decision in Super Cassettes Industries (supra) does not constitute a binding precedent and even otherwise is per incurium. As noticed hereinabove the Division Bench while deciding FAO (OS) 28/1999 arising out of Gramophone II held that the said decision did not constitute a binding precedent as the observations made by the learned Judge were tentative in nature and so was the view taken by him. This was so held as the learned Single Judge while deciding Gramophone II was dealing with an application under Order 39 Rule 1 and 2 CPC and by the said decision the suit itself had not been decided finally. The Division Bench, in its order dated 04.02.2003 in FAO(OS) 28/1999 observed as follows:

At this stage, Ld. Counsel for Appellant expressed the apprehension that the view taken by the Ld. Trial Judge while disposing of the interim stay matter was likely to influence the pending suit proceedings and was likely to be taken as a precedent in identical proceedings. The apprehension of the Ld. Counsel for Appellant is misplaced because observations made by the Ld. Trial Judge were tentative in nature and so was the view taken by him because the issues raised in the Suit involving interpretation of relevant provisions of the Act were still pending adjudication and final decision in the Suit. These observations would not naturally, therefore, constitute any binding precedent. Nor could these have any bearing in the final decision of the Suit or any other proceeding pending between the parties.

63. Similarly, the decision of the learned Single Judge in Super Cassettes Industries (supra) is a decision rendered by the learned Single Judge on an application under Order 39 Rules 1 and 2 CPC and the said decision is not a final judgment in the suit. By the same logic the view taken by the learned Single Judge is tentative in nature and does not constitute a binding precedent.

64. In any event, I am of the view that the said decision is per incurium for the following reasons:

A. The interpretation given by the learned Single Judge to Section 52(1)(j) to the

effect that a change of singer is a significant change and, therefore, requires prior consent of the owner is contrary to the earlier interpretation given to Section 52(1)(j) in *Gramophone I*, para 5 whereof has already been extracted above. In *Gramophone I* the court held that version recordings involving another voice or voices with different musicians and the arrangers does not amount to either copy or reproduction of the original recording. The learned Single Judge has not considered the earlier view in *Gramophone I* and the same has not been distinguished by him. A perusal of Section 14(a) read with Section 52(1)(j) shows that the copyright in literary, dramatic or musical works does not include the right to decide who renders the work while making the subsequent sound recording or version recording. The copyright of the author is in the literary, dramatic or musical work and not in the voice of the singer or the artist who may have been employed to make the initial sound recording. These aspects do not appear to have been considered by the learned Single Judge.

B. The learned Single Judge has held in para 21 of *Super Cassettes Industries (supra)*:

A change of the singer in a vocal rendering is a change in the most vital constituent of a recorded song and cannot be done without the previous permission of the owner of the original recording as per the mandate of Section 52(1)(j) of the Act.

While reaching the aforesaid conclusion, the learned Single Judge also seems to have overlooked the limited rights that vest in an owner of copyright in a sound recording. A perusal of subpara (a) of para 22 of the decision in *Super Cassettes Industries (supra)* shows that the learned Single Judge assumed the existence of a copyright in the owner of the sound recording against all others who may wish to make a version recording (by utilizing the original literary, dramatic and musical works comprised in the earlier sound recording) such that his consent/licence is required before making a version recording. While arriving at this finding, Section 14(e) (which vests only limited rights in the owner of a sound recording, namely, the right to make any other sound recording embodying it, or to commercially exploit the same, or communicate the same to the public), and the provision in Section 13(4) which protects the copyright of the owner in the underlying literary, dramatic or musical work appear to have escaped the attention of learned Single Judge. In fact, a perusal of Section 52(1)(j) shows that the person desirous of making a version recording is not even required to put to notice the owner of the copyright in the earlier made sound recording. Even the royalties are not payable to the owner of the copyright in the earlier made sound recording. The notice is to be given, and the royalties are to be paid to the owner(s) of the copyright in the original literary, dramatic and musical works which are intended to be utilized for making a version recording. Even this aspect appears to have escaped consideration of the learned Single Judge.

C. The version recording is meant to be a different recording made by utilizing either the same or a different set of singers, musicians and artists. However,

while making the version recording the producer is bound to maintain the integrity of the original literary, dramatic and musical works, except to the extent as may be reasonably necessary for the adoption of the work for the purpose of making the sound recordings. This is so provided in recognition of the moral rights of the author protected u/s 57 of the Act. This right gives the author a cause of action against any distortion, mutilation, modification or any other act in relation to the work, if the same would be prejudicial to the author's honour or reputation. It appears, this aspect was not brought to the notice of the learned Single Judge. In fact, Proviso (i) to Section 52(1)(j) itself states that "no alteration shall be made which have not been made previously by or with the consent of the owner of rights, or which are not reasonably necessary for the adaption of the work for the purpose of making the sound recording". It also appears the above Proviso was not considered by the learned Single Judge which led him to observe:

42. Version recordings would really be such sound recordings where while being inspired by the original melody a distinct interpretation, different both in presentation, rhythm and orchestral arrangement emerges.

Such a version recording, if made in India may enjoy the benefit of Section 52(1)(j) subject to satisfaction of the requirements of the said provision and Rule 21(2)(b) but not a total copy though with different singers, as in the plaintiff's case, which may have the effect of persuading lay listeners as if it was the original sound recording.

In fact, no grievance can be made by the owner of copyright in the earlier made sound recording that the subsequent or version recording is very similar or identical with his own sound recording. His grievance can either be that the version recording is being marketed by using packaging or labels which are likely to mislead or confuse the public as to their identity, by inducing the public to believe that they are copies of the earlier made sound recording, or that his sound recording has been embodied in the subsequently made recording or version recording. To deal with such grievances Proviso (ii) to Section 52(1)(j) states that "the sound recordings shall not be issued in any form of packaging or with any label which is likely to mislead or confuse the public as to their identity;" The latter situation stated above (viz. the earlier recording being embodied in the later made sound recording or version recordings) would constitute infringement of the copyright of the owner of the sound recording and would be actionable. However, the learned Single Judge has held:

Considering all the findings enumerated in respect of the version recording of the defendant, I have no manner of doubt that the defendant's plea that the product of the plaintiff's under the garb of the claimed protection of Section 52(1) is a misleading copy and indeed the plagiarization of the original soundtrack. Thus such plagiarization cannot be considered ethical.

With respect, this observation appears to have been made without consideration

of Proviso (i) to Section 52(1)(j) . The Act does not vest a copyright either in the producer of an earlier sound recording, or in the artist employed for making the earlier sound recording against the copying of the "style" of performance of the artist, or his/her earlier recorded rendition. Therefore, no grievance can be made by the copyright owner in an earlier sound recording that the subsequent sound recording is identical to or similar to his initial sound recording. This aspect also appears to have escaped the consideration of the learned Judge.

D. The conclusion drawn in para 22(c) as extracted above also appears to have been reached without consideration of Section 14(e). Section 14(e) does not distinguish between the first sound recording or any subsequent sound recordings made by utilizing the original literary, dramatic and musical works. Every sound recording, whether it is the first sound recording or any subsequent recording or version recording would be entitled to the same protection. Consequently, the owner of copyright in a version recording is entitled to make any other sound recording embodying the version recording. The owner of the version recording is entitled to commercially exploit his version recording and to communicate his version recording to the public. If the version recording is embodied without his consent in any other sound recording, or commercially exploited by any person or communicated to the public by any person, the owner of the copyright in the version recording would certainly be entitled to enforce his rights.

E. The learned Single Judge also appears to have overlooked the fact that both Sections 13 and 14, in terms, say that these provisions are subject to the other provisions of the Act which would include Section 52 as well. This is evident from para 41 of the judgment of the learned Single Judge where he observes:

I am of the view that Section 52(1)(j) cannot be independent of the prohibition imposed in Section 13(3)(b) of the Act and the plaintiff is thus not entitled to any protection u/s 52(1)(j) as its version recording violates the mandate of Section 13(3)(b) of the Act.

F. The learned Single Judge has relied on the Supreme Court Judgment R.G. Anand Vs. Delux Films and Others, , and quoted the following passage from the said decision:

2. Where the same idea is being developed in a different manner, it is manifest that the source being common, similarities are bound to occur. In such a case the courts should determine whether or not the similarities are on fundamental or substantial aspects of the mode of expression adopted in the copyrighted work. If the defendant's work is nothing but a literal imitation of the copyrighted work with some variations here and there it would amount to violation of the copyright. In other words, in order to be actionable the copy must be a substantial and material one which at once leads to the conclusion that the defendant is guilty of an act of piracy.

3. One of the surest and the safest test to determine whether or not there has

been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.

4. Where the theme is the same but is presented and treated differently so that the subsequent work becomes a completely new work, no question of violation of copyright arises.

5. Where however apart from the similarities appearing in the two works there are also material and broad dissimilarities which negative the intention to copy the original and the coincidences appearing in the two works are clearly incidental no infringement of the copyright comes into existence.

.....

.....

In another, and perhaps a clearer case, it may be necessary for this Court to interfere and remove the impression which may have gained ground that the copyright belonging to an author can be readily infringed by making immaterial changes, introducing insubstantial differences and enlarging the scope of the original theme so that a veil of apparent dissimilarity is thrown around the work now produced. The court will look strictly at not only blatant examples of copying but also at reprehensible attempts at colourable imitation.

This decision has been held to be applicable to a case attracting consideration of Section 52(1)(j) of the Act. The Supreme Court decision in *R.G. Anand* (supra) was a case dealing with a claim of infringement of the plaintiffs copyright in his literary work by the defendant who had made a cinematograph film. It was not a case of infringement of copyright in a literary, dramatic or musical work or in a sound recording, by making of a subsequent sound recording or version recording. Section 52(1)(j) was not even considered by the Supreme Court. Pertinently, there is no similar provision as Section 52(1)(j) relating to the making of a cinematograph film. Therefore, the decision in *R.G. Anand* (supra) had no relevance to a case involving consideration of Section 52(1)(j) of the Act. In fact, its application is contra indicated by Proviso (i) to Section 52(1)(j) and Section 57 of the Act. This aspect does not appear to have been considered in *Super Cassette Industries* (supra).

G. On a reading of Section 13(3)(d) and Section 52(1)(j), it is clear that a sound recording can only comprise of works which can be broken down to literary, dramatic and musical works. It is only to the owners of the copyright in the literary, dramatic or musical works that notice is required to be issued of the making of a version recording and royalties are required to be paid to him/them. Before making a version recording, it is not necessary to either put to notice, or to pay royalties to the owner of copyright in an earlier made sound recording.

H. The learned Single Judge also seems to have overlooked Section 13(4) read

with Section 22 and Section 26. As per Section 13(4) an owner's copyright in primary works remains unaffected by utilization of the said works for making a sound recording. This is the position when owner's copyright in such primary works subsists. However, upon expiry of term of copyright in such primary works the same falls in public domain and becomes available for exploitation by others in all possible ways. Any person can make a sound recording utilizing the said work(s). Such sound recording being an independent work would deserve the protection of 14(e) read with Section 51. However, merely because a sound recording has been made from the primary works which had fallen in public domain, others will not be prevented from making independent sound recordings or version recordings from such primary works. Any interpretation to the contrary would result in an absurdity and would amount to taking out from public domain something which the law has thrown in that domain. This would defeat the underlying purpose of such provisions made in public interest and the very purpose of Sections 22, 26 & 27.

65. Since the decision in *Super Cassettes Industries* (supra) appears to have been rendered without considering the earlier decision of this Court in *Gramophone I*, and the same appears to have been rendered without considering the various provisions of the Act as aforesaid, in my humble view, the same is per incurium.

66. I am conscious of the line of decisions which state that if a decision of a coordinate bench of the Court is considered to be per incurium, the matter should be referred for consideration by a larger bench. But I am not resorting to that course of action because, even otherwise, the decision in *Super Cassette Industries* (supra) being a tentative view does not constitute a binding precedent.

67. The co-existence of multiple copyrights viz. those of the author in the primary works, and of the producer(s) in the sound recording or recording(s) produced from the original works is a well recognized concept which is not new or foreign to copyright law. In *Gramophone Co. Ltd. v. Stephen Carwardine & Co.* Law Reports [1934] I Ch. 450 it was observed:

Now there are certain considerations which to my mind are useful to bear in mind before coming to the short though difficult problem that I am asked to solve. In the first place, I think it is worth pointing out that the special copyright given by s. 19, if the record is made with the consent of the owner of the original work, may subsist for many years after his copyright has come to an end. . . . This, I think, tends to show that the copyright conferred by s. 19 is not confined to cases where there subsists a copyright in the original work at the time when the record was made and I do not think there is anything in the rest of the section which would lead to that restricted view. . . . It follows from this consideration that the records referred to in s. 19 may be records of a work which, to use the well-known phrase, is in the public domain; secondly, they may be records made by the consent of the owner of the original work; and thirdly, they may be records of musical works made under the compulsory provisions of

Sub-section (2).

The next point which I think of importance is that sub-s (1) gives no special rights to the person who first makes a record of an original work. . . . Since there may be any number of records made under the provisions of sub-s (2) it is evident that there may be numerous records of a musical work, each record being, under s. 19, one with its own term of copyright, and in each case the owner of what is called the original plate from which the record was made is to be deemed "the author of the work" ...it is reasonably clear, I think, that the work in that Sub-section must mean the work as embodied in the record.

The obvious question that then arises is this: What is the position of the owner of the copyright in the original work so far as regards performance in public? Counsel for the plaintiffs, not unnaturally I think in this case at any rate, argued that the right of the original owner as regards a performance in public was not interfered with by the existence of a copyright under s. 19. I think an admission of that kind was probably necessary for his purpose. In my opinion the admission was rightly made. I see no reason for thinking that the copyright in the original work is interfered with by the creation of a special copyright in what I have called for brevity a record.

68. I, therefore, reject the submissions of learned Counsel for the plaintiff that the defendant was obliged to seek express consent or permission of the plaintiff to make version recordings of the literary, dramatic and musical works of the plaintiff as, admittedly, the literary, dramatic and musical works in question in which the plaintiff presumably owns the copyright had been utilized for making sound recordings earlier in an authorized manner and the period of two years after the end of the year in which the first recordings of the works were made had expired when the defendant sought to make the version recordings. I also reject the contention that making of remixes or version recordings by use of a different orchestra, singer etc. amounts to alteration of primary works being exploited for making such version recording.

69. So far as the submission of Mr. Lal with regard to the defendant's right to exploit its version recording being limited only by sale or hire of the version recordings along with the approved label; and his submission that the defendant cannot exploit its version recordings for sale or hire in any other manner including by licensing the use of the same as ring tones on mobile phones or over the internet is concerned, I do not agree with his submission and therefore, reject the same.

70. Once a version recording in compliance with Section 52(1)(j) has been made, it is as much a sound recording as any other sound recording would be of the original literary, dramatic or musical work which may have been made under a specific license from the author of such original works. Merely because it is a version recording made by resort to Section 52(1)(j), such version recording does not cease to have any of the characteristics of a sound recording.

Therefore, even the copyright holder in a version recording, which is a sound recording, would be entitled:

- (i) to make any other sound recording embodying it;
- (ii) to sell or give on hire, or offer for sale or hire, any copy of the sound recording, regardless of whether such copy has been sold or given on hire on earlier occasions;
- (iii) to communicate the sound recording to the public.

71. It is argued before me that the U.S. Copyright Statute specifically limits the right of the owner of version recordings to the distribution of copies, i.e. only if the "... primary purpose in making phono records is to distribute them to the public for private use, including by means of a digital phono record delivery". I am not called upon to interpret the language used in the U.S. Copyright Statute. Assuming that the rights of the copyright owner in a version recording are limited under the U.S. Copyright Statute, that by itself would not be a reason for me to adopt an interpretation in respect of the Indian Copyright Act, which is not supported by the plain language of the Indian Copyright Act. I have already referred to herein above the decision of the Supreme Court in *Gramophone V*, wherein the Supreme Court has clearly held that Indian Courts have to enforce the Indian law and where the Indian law is at variance with the International Law, the courts would adopt an interpretation to advance the Indian law.

72. The rights of the owner of copyright in version recordings includes the exclusive right to issue copies of the version recording (see Section 14(e)(ii)) and there is no limitation under the Copyright Act with regard to the format in which the version recording may be sold or hired.

73. The concept of the law does not change merely on account of the march of science and technology. The same principles continue to govern the field even after the advent of new technology. Numerous formats in which sound recordings are distributed have been evolved with the passage of time, such as audio magnetic tapes, compact disks and digital copies which are distributed electronically over the internet or through mobile telephones. In my view, the right of the owner of the copyright in the version recording to sell or give on hire or offer for sale or hire the version recording, and his right to communicate his version recording to the public is in no manner curtailed by reference to the format in which the version recording may be sold or hired or offered for sale or hire. There is no limitation contained in the Act which prohibits the exploitation of the version recordings by sale/hire of copies of the version recording, as a version recording through mobile telephones or through the internet. There is nothing in the Copyright Act from which it might be inferred that the Parliament intended to limit the statutory license u/s 52(1)(j) to any particular mode of distributing copies of the version recording. However, the making of copies of the version recording and its sale must comply with the requirements of Section 52(1)(j) and Rule 21 of the Copyright Rules.

74. The submission of Mr. Lal is that the requirement in Section 52(1)(j)(ii), which obliges the person making the version recording to provide "copies of all covers or labels with which the sound recordings are to be sold" indicates that the version recording can only be sold or hired through the medium or in the format of video disk, magnetic tape or compact disks, as it is only these formats which are sold or hired or offered for sale or hire with covers or labels. He submits that sale or hire or offer for sale or hire over the internet and over mobile phones does not require any covers or labels. However, this submission of Mr. Lal does not impress me.

75. As aforesaid, at the time when the relevant provision was framed, the concept of sale or hire of sound recordings over the internet or mobile phones was not only non-existent but beyond the imagination of the Legislature. As aforesaid, these are the result of evolution of science and technology. The expression "all covers or labels" used in Section 52(1)(j)(ii) has to be understood in a wider sense and is not to be confined merely to the covers and labels in printed format only. Covers and labels are used to identify the product which is sold or hired or offered for sale or hire. Therefore, in my view, even the mere title of a sound recording comprising of the opening words (mukhda) of the song; the name given to a musical theme; the name of the cinematograph film in which the sound recording may have been used; the name of singer (such as Lata Mangeshkar); the name of the musical composer (such as Laxmikant Pyarelal); the name of the artist (such as Pandit Ravi Shankar); the icon displaying the photograph/picture of the artist or a still from the cinematograph film in which the same or earlier sound recording may have been used, would also constitute covers and labels, as these names\photographs\ pictures\icons are used for the purpose of identification of the version recording to enable the prospective customer to make his choice and to identify the product that is on offer for sale or hire and that he would be buying/hiring.

76. Having said this, the obligations cast by the Act on the owner of the copyright in version recordings, before commercially exploiting the same may be noted. The person making the sound recordings is obliged to comply with the conditions contained in Section 52(1)(j)(i) and (ii) and the provisos set out after Section 52(1)(j)(ii). The said conditions would continue to bind the person making the version recording, irrespective of the format in which the version recording may be exploited as a version recording. Therefore, even if the copies of the version recordings are sold or hired, or offered for sale or hire over the internet or mobile phones, the producer/owner of the copyright in the version recording is obliged to ensure that the spirit contained, inter alia, in Clause (ii) read with proviso (ii) of Section 52(1)(j) are complied with. The purpose of Clause (ii) and proviso (ii) to Section 52(1)(j) is to ensure that the person making and marketing the version recordings, by resort to Section 52(1)(j) does not mislead or confuse the public as to their identity as version recordings. The purpose is to prevent any confusion in the minds of the public that what is being offered by the producer of the version recordings is his version recording, and

not any other earlier sound recording or version recording of the same literary, dramatic or musical work(s). Therefore, when a person making a version recording sells or hires or offers for sale or hire his version recording as ring tones on mobile phones, in my view, it is essential for him to clearly state that the same is his version recording. It would not be enough for him to merely indicate the title of the song or other composition of which he has made the version recording for the purpose of identifying the same. Similarly, when the person making the version recording sells or hires or offers for sale or hire his version recording over the internet along with the title/icon of the version recording, it should be clearly stated on the website concerned that the same is his version recording, and if a label/icon is displayed, the same should also conform with the requirements of Section 52(1)(j).

77. The plaintiff has also made a grievance that the covers and labels in which version recordings are being sold by the defendants are misleading and confusing. Mr. Lal had contended that it is for the plaintiff to determine whether the covers and labels used by the defendant for marketing its version recordings are likely to mislead or confuse the public as to their identity.

78. This submission of Mr. Lal cannot be accepted. No party can be a judge in his own cause. The plaintiff cannot, therefore, arrogate to itself the right to determine as to whether the covers and labels used by the defendant to market the version recordings are misleading or confusing, and whether the said covers and labels would deceive the public as to the identity of the product sold/hired or offered for sale/hire by the defendant. That issue can only be determined by the Court if a grievance in that respect is raised before the Court by the plaintiff. In my view, the requirement contained in Section 52(1)(j)(ii), which obliges the person making the version recordings to provide copies of covers and labels in which the sound recordings are to be sold or hired to the owners of the copyrights in the original literary, dramatic or musical works, is to enable the owners of such original rights or even the owners of copyrights in earlier recorded sound recordings of such original literary, musical or dramatic works, to ventilate their grievances before a competent court, in case the covers and labels appear to be misleading and confusing and do not sufficiently indicate that the product offered by the person making the version recordings for sale/hire are his version recordings.

79. In its application being I.A. No. 7050/1999 in CS (OS) No. 1625/1999, the plaintiff has made a grievance with regard to adoption of misleading and confusing labels and covers in respect of the following titles:

- i) 28 Super Non Stop Remix" (Vol.2, 3 & 4)
- ii) Rafi ke Dard Bhare Nagme
- iii) "Finest Memories of Mukesh"
- iv) "Shradhanjali to Talat Mahmood"

v) "Hits of Salman Khan"

vi) "Hum Aapke Hai Kaun"

vii) Asha Remix

The plaintiff has also placed on record the labels and covers in which the defendant is offering for sale/hire and selling/hiring the aforesaid titles which are re-mixed versions/version recordings made by the defendant.

80. Before advertizing to the said labels and covers, it would be useful to refer to three American decisions relied upon by the plaintiff in support of his submission. They are being referred to in chronology.

81. The first decision is in the case of Decca Records et al v. Musicor Records et al 166 USPQ 57 decided by the District Court, S.D. New York on 10.06.1970. The plaintiff, Decca Records and the defendant Musicor Records were engaged in the business of recording, producing and distributing for sale sound recordings. In the year 1967, the plaintiff Decca Records engaged a recording artist known as Vincent Bell to make sound recordings for it under a contract. This contract provided that Bell will not permit anyone but Decca to use his name, signature and likeness in connection with the making, advertising or marketing of any sound recordings during the contractual period. Pursuant to the agreement, Bell performed and made a sound recording of "Airport Love Theme", a hit tune from a motion picture "Airport". This recording featured Bell singly as the performing artist. It was released, sold and distributed by Decca under the title "Airport Love Theme - Vincent Bell". It was a commercial success. Decca Records produced and distributed an album containing ten selections, one of which included the Bell recording, "Airport Love Theme". The nine other sound recordings were of songs also sung by Bell as the feature artist. The album cover prominently featured "Airport Love Theme" and below that, "Vincent Bell" in large letters and underneath were listed the title of the ten different records, starting with "Airport Love Theme". This cover had a pictorial representation of a girl on the deck of an airport looking beyond at an open airfield. The pictorial print cover had been copyrighted by the plaintiff Decca.

82. The defendant Musicor Records announced that they plan to distribute a ten record album with a cover containing in bold type "VINCENT BELL AIRPORT" and in smaller letters below, "Airport Love Theme". The album cover also contained a picture of a girl at an airport looking out at a field with planes on the ground.

83. The plaintiff protested against the striking similarity in the album cover of the plaintiff and that sought to be adopted by the defendant. The defendant suggested some minor changes. The changed album cover contained, in addition to the same photograph as the first one, the following: "Introducing Mr. Guitar" in very small letters; followed by large block letters, "VINCENT BELL AIRPORT"; below that in much smaller letters "Airport Love Theme", and; below that in a miniscule type "Performed by Giovanni Matteo".

84. The album of the defendant contained nine songs sung by Bell during the period prior to his entering into an agreement with the plaintiff Decca Records. The tenth song, i.e. the musical composition "Airport Love Theme" (which was performed by Bell for the plaintiff Decca Records under an exclusive agreement), as contained in the defendants album was not sung by Bell, but by Giovanni Matteo, whose name appeared in miniscule type of defendants revised album cover and did not appear at all in its first cover.

85. The District Court held that it was a palpable fraud to display prominently Bell's name in juxtaposition to or in conjunction with "Airport Love Theme" in the format of the cover when, in fact, he did not record for the defendants that song, which is included in its album, nor did he authorize its use by the defendants. The Court held that there was substantial similarity between the plaintiff's album cover and that adopted by the defendant and that it would readily confuse and mislead the average purchaser into believing that the defendants' album was that of the plaintiff. The Court held that the change made by the defendant was also a calculated effort by it to continue with their original purpose of "free ride" at plaintiffs' expense.

86. The second decision is that of the Court of Appeal, Second Circuit titled PPX Enterprises Inc. v. Audiofidelity Enterprises Inc., 2 USPQ2d 1672. The plaintiff was a company, which had financial CS(OS) Nos. 1625/1999 & 399/2005 Page 60 of 76 interest in sale of recordings, featuring late rock musician Jimi Hendrix. The plaintiff alleged that the defendant was marketing records fraudulently by adopting design, label and album cover to convey that the record contains performances of Hendrix, when in fact they did not. The plaintiff invoked the provision contained in Section 43 of the Lanham Act, and also alleged tortious interference with prospective economic advantage by the defendant. The District Court for the Southern District of New York granted the injunctive relief sought by the plaintiff, but denied the claim for damages on the ground that the plaintiff/appellant had failed to provide evidence of actual consumer confusion. It was against the denial of claim for damages that the plaintiff preferred the aforesaid appeal.

87. The Appellate Court held that the plaintiff should not have been required to provide evidence of actual consumer confusion and remanded back the matter for taking further proceedings consistent with its opinion. In the course of its opinion, the Court of Appeal observed that in order to state claim for injunctive relief, the plaintiff must demonstrate the likelihood of deception or confusion on the part of the buying public caused by the false description or representation. It further observed that a record albums cover, bearing the name and likeness of a performer is one of the primary means of advertisement for a record album, particularly when, in the normal retail situation a customer has no way of hearing the record prior to purchase. False advertising clearly encompasses fraudulent representations that goods marketed have ingredients or qualities that they, in fact, do not have but that the goods of a competitor do have. It referred to an

earlier decision of *American Home Products Corp. v. Johnson & Johnson*, 577 F.2d 160, wherein it had been held that deceptive advertising or merchandising statements may be judged in various ways. If a statement is actually false, relief can be granted on the courts own findings without reference to the reaction of the buyer or consumer of the product.

88. The third decision relied by learned Counsel for the plaintiff is that of the District Court, D. New Jersey in *Estate of Elvis Presley v. Russen*, 211 USPQ 415 decided on 16.04.1981. In this case, Russen, the defendant produced THE BIG EL SHOW, a stage production. The said show closely imitated the stage shows conducted by the late Elvis Presley. The BIG EL SHOW featured an individual who impersonates late Elvis Presley by performing in the style of Elvis Presley. He wore the same style and design of clothing and jewellery as Presley did, did things the Presley did on stage and sang songs sung by Presley in the same style. The show featured a band called the TCB Band, which was also the name of Elvis Presleys band, though the musicians in the band of the BIG EL SHOW were different from that of the TCB Band. The defendant Russen also produced records of THE BIG EL SHOW. One record album, entitled "Viva Las Vegas" had on the cover of the jacket only the title and an artist's sketch which upon reasonable observation appeared to be of Elvis Presley. It was only on the back of the jacket in a short blurb and in the credits that the name BIG EL SHOW appeared. It is also indicated that the show stars Larry Seth as Big El and featured the TCB Band. The other album was entitled BIG EL SHOW "In Concert" and also featured an artist's drawing, ostensibly of Big El, but which looked like Elvis Presley with microphone in hand, singing. Russen never had any authorization from, on license or contractual relation with Elvis Presley or with the Estate of Elvis Presley in connection with the production of THE BIG EL SHOW.

89. The plaintiff, namely, the Estate of Elvis Presley brought action alleging infringement of copyright, trademark, violation of Section 43 of the Lanham Act, and unfair competition. The plaintiff had asserted that the defendants production THE BIG EL SHOW infringed the rights of publicity which the plaintiff had inherited from Elvis Presley.

90. While dealing with the said submission, the Court observed:

A. Likelihood of Success on the Merits.

1. Right of Publicity

The plaintiff has asserted that the defendant's production, THE BIG EL SHOW, infringes on the right of publicity which plaintiff inherited from Elvis Presley. The right of publicity is a concept which has evolved from the common law of privacy and its tort "of the appropriation, for the defendant's benefit or advantages, of the plaintiff's name or likeness." The term "right of publicity" has since come to signify the right of an individual, especially a public figure or a celebrity, to control the commercial value and exploitation of his name and picture or likeness and to prevent others from unfairly appropriating this value for their commercial

benefit. The idea generally underlying an action for a right of privacy is that the individual has a right personal to him to be let alone and, thus, to prevent others from invading his privacy, injuring his feelings, or assaulting his peace of mind. In contrast, underlying the right of publicity concept is a desire to benefit from the commercial exploitation of one's name and likeness."

... ..

"Although the courts in New Jersey have not used the term "right of publicity," they have recognized and supported an individual's right to prevent the unauthorized, commercial appropriation of his name or likeness. In the early and widely cited case of *Edison v. Edison Polyform Mfg. Co.* 73 N.J.Eq. 136:67 A. 392 (1907), Thomas Edison sought to enjoin a company which sold medicinal preparations from using the name Edison as part of its corporate title or in connection with its business and from using his name, picture, or endorsement on the label of defendant's product or as part of the defendant's advertising. In granting the requested relief, the court concluded that:

If a man's name be his own property, as no less an authority than the United States Supreme Court says it is ... it is difficult to understand why the peculiar cast of one's features is not also one's property, and why its pecuniary value, if it has one, does not belong to its owner rather than to the person seeking to make an unauthorized use of it.

Id. at 141. This idea that an individual has a property right in his name and likeness was reemphasized in *Ettore v. Philco Television Broadcasting Corporation* 229 F.2d 481,491-92 (3rd Cir.), cert. denied, 351 U.S. 926,76 S.Ct. 783,100 L.Ed. 1456 (1956) (interpreting New Jersey law) and *Canessa v. Kislak* 97 N.J.Super. 327,235 A.2d 62 (Law Div.1967). Cf. *Palmer v. Schonhorn*, 96 N.J.Super. 72,232 A.2d 458 (Ch.1967). (The court did not characterize the right as property. However, the court held:

that although the publication of biographical data of a well-known figure does not per se constitute an invasion of privacy, the use of that same data [as well as the name] for the purpose of capitalizing upon the name by using it in connection with a commercial project other than the dissemination of news or articles or biographies does.

Id. at 79, 232 A.2d 458.) Judge Lynch in his thoughtful opinion in *Canessa* initially found that "in the concept of "right of privacy" there is implicit the right of property, at least in the instance of an appropriation by defendant of another's likeness." 97 N.J.Super. at 339, 235 A.2d 62. After a comprehensive examination of a number of cases occurring prior to *Canessa*, Judge Lynch decided that:

Entirely apart, however, from the metaphysical niceties, the reality of a case such as we have here is, in the court's opinion, simply this: plaintiffs' names and likenesses belong to them. As such they are property. They are things of value.

Defendant has made them so, for it has taken them for its own commercial benefit.

New Jersey has always enjoined the use of plaintiff's likeness and name on the specific basis that it was a protected property right. It is as much a property right after its wrongful use by defendant as it might be before such use.

We therefore hold that, insofar as plaintiffs' claim is based on the appropriation of their likeness and name for defendant's commercial benefit, it is an action for invasion of their "property" rights and not one for "injury to the person" 97 N.J. Super. at 351-52, 235 A.2d 62.

In following the approach taken by pre-1968 cases evaluating New Jersey law, we conclude that, today, a New Jersey court would allow a cause of action for infringement of a right of publicity. In addition, this right, having been characterized by New Jersey courts as a property right, rather than as a right personal to and attached to the individual, is capable of being disassociated from the individual and transferred by him for commercial purposes. We thus determine that during his life Elvis Presley owned a property right in his name and likeness which he could license or assign for his commercial benefit.

91. The Court held, *prima facie*, in favour of the plaintiff on its right of publicity claim with respect to the defendants live stage production and the defendants unauthorized use of Elvis Presley likeness on the cover or label of any records which were sold or distributed by the defendants. It was also held that after the death of Elvis Presley, the rights to use the service mark and trade mark identifying the entertainment services of Elvis Presley and the merchandise licensed by him passed to Presley's legal representatives as a part of its Estate. The Court then examined the issue whether the consumers viewing the defendants' marks were likely to believe that plaintiff sponsored THE BIG EL SHOW production or licensed the defendants to use the mark in connection with the show or was in some other way associated or affiliated with the production. In this regard, the Court examined the aspects: the strength of the plaintiffs mark; similarity of the marks; defendants' intent; similarity of services; similarity of challenges of trade, manners of marketing predominant purchasers; actual confusion and likelihood of confusion. It was held that in determining the existence of likelihood of confusion, the Court must look through the eye of ordinary purchasers buying with ordinary caution. The Court observed as follows:

In making our decision, it is not necessary to conclude that the public be led to believe that defendant's show is composed of actual Elvis Presley performances or is produced by the plaintiff. It is not even necessary that the public know who the plaintiff is. What is required and what we find is that the ordinary purchaser generally familiar with plaintiff's marks is likely to believe that defendant's show is somehow related to, associated with, or sponsored by the same people or entity that provides the actual Elvis Presley entertainment services identified by its own marks. It is not at all unreasonable for the public to believe that this

entity, which is the plaintiff, the Estate of Elvis Presley, has decided to license or sponsor a form of entertainment closely related to its other entertainment services. The public, realizing that an actual Elvis Presley live stage show is now impossible, might assume that the plaintiff's only alternative in order to enter this specific area of the entertainment field was to produce or sponsor an imitation of a real Elvis Presley performance, perhaps by using members of the actual Presley performing troupe or production staff or by supplying costumes or other official Presley items. It is also highly possible that consumers seeing the defendant's TCB logo or the advertisements highlighting the likeness of Elvis Presley might believe that the show is a multimedia presentation and incorporates films or recordings of actual Elvis Presley performances.

Our decisions with respect to the name THE BIG EL SHOW alone and in association with any pictures or artist's renderings resembling the "Elvis Pose" are closer. After careful consideration of the various factors, we have concluded that the use of the name THE BIG EL SHOW by itself does not create a likelihood of confusion, but its use as part of the logo or in connection with misleading pictures does create such confusion.

By attaching the artist's rendering to the name THE BIG EL SHOW to form the logo, the defendant has gone beyond allowable bounds. The likelihood of confusion associated with the artist's rendering is not sufficiently diminished by the use of the name with it. The picture, which certainly appears to be of Elvis Presley, provides the major triggering mechanism for the appeal to the public. The purchasing public seeing the picture and the name is likely to have a very similar reaction to the logo, believing the picture to be of Elvis, as it would if the picture were presented alone. The addition of the name may help to confirm that the production is an imitation of an actual Presley performance, but it really does not dispel any confusion as to plaintiff's association with or sponsorship of the production.

Thus, based on the current state of the record, we have found a likelihood of confusion with respect to the defendant's marks of TCB with or without the lightning bolt, any artist's renderings or pictures which resemble the "Elvis Pose," and the logo. The plaintiff has established the likelihood of its ultimate success on the merits of its infringement claims as to these marks. The plaintiff has not established the same likelihood as to the defendant's use of THE BIG EL SHOW, alone, as the name or mark for its production.

92. The Court also held that the use by the defendant of THE BIG EL SHOW logo (words and Presley likeness), the pictures resembling Presley, and the initials TCB in the defendants advertising and business and promotional materials were likely to deceive the public as to the origin or sponsorship of the show itself. The Court however held that the defendants use of the name THE BIG EL SHOW, without any accompanying photographs or artists renderings was not likely to cause confusion or deception.

93. Learned Counsel for the plaintiff has drawn my attention to the labels and covers in respect of the aforesaid package, wherein the version recordings had been marketed by the defendant. In none of the labels and covers, the defendant appears to have prominently stated that the recordings being marketed are not from the original sound track. While in some of the labels and covers, it is so printed, the size of the print is miniscule when compared to other materials printed on the labels and covers. For example, the cover of "28 Super Non Stop Remix (Vol.2)" does not contain any statement as to whether the recordings sold under the said cover are from the original sound track or not. In the recordings sold under the cover "28 Super Non Stop Remix (Vol.4)", the defendant in small print states "From the original film sound track". In even smaller print, the defendant records "Recorded as per provision of Section 52 of the Copyright Act, 1957" and "Not from the original film sound track".

94. In the title, "28 Super Non Stop Remix of latest film hits (Vol.2)", the names of the artists who have recorded the version recordings have also been displayed in a small print compared to the other prominent materials printed on the cover which included photographs of film stars. Same is the position in the title "28 Super Non Stop Remix (Vol.4)". In the title, "28 Super Non Stop Remix of latest film hits (Vol.3)", the names of the singers are mentioned with a little more prominence than the first two covers, discussed above. However, there is no disclosure expressly stating that the sound recordings are not from the original sound track and are version recordings and this cover as well, in miniscule print, states "Recorded as per provisions of Section 52 of the Copyright Act, 1957".

95. In my view, it is not enough for the defendant to state that the recordings are recorded as per provision of Section 52 of the Copyright Act. By reading the said inscription, a lay person cannot be expected to understand that the recordings are version recordings, and not from the original sound track. For the unsuspecting consumer, it is important to know that what he has been offered for sale or hire is a version recording and not a recording from the original sound track. After all, it is the recording made from the original sound track which, in the first place, would have been distributed to the public at large for consumption, and it is the recording from the original sound track which, normally, would make the recording popular to attract buyers and customers. A customer may want to acquire a recording as contained in the original sound track. He may not be interested in acquiring a version recording of the same song. The mere disclosure of the names of the singers in the version recordings by itself is also not sufficient, even if made with some prominence, for the reason that the lay person who may be offered the version recording for sale/hire may not be even aware of the fact that the originally made recording, which he may have heard as a part of the cinematograph film in the first 2-3 years of the recording being released, was sung by some other artists and not by the artists whose names are contained on the cover of the version recording. The use of the word "remix" by itself also does not lead to the conclusion that the recording being offered for sale/hire under a cover is not from the original sound track as it

is possible to use the song as sung by the artist on the original sound track, while adding to or altering the background music from that contained in the original sound track. What is essential is that the customer should be able to make an informed and a conscious choice. He should know, when he buys/hires the sound recording that it is a version recording of the same composition (music and/or lyrics) that he may have earlier heard. It may be, that to him, the version recording is just or acceptable. This may be due to various reasons. The version recording may, in his judgment, be as good or even better than the originally made sound recording or it may be more affordable. There could be other reasons as well. But it should not happen that he is misled into buying or hiring a version recording by deception due to the use of a deceptive or confusing label or cover by the person marketing the version recording.

96. I may now turn to another set of labels and covers in question. These are the labels and covers, where under the defendant is stated to be offering for sale/hire its version recordings of songs originally sung by a particular artist such as Mukesh, Asha Bhosle, Mohammed Rafi and Talat Mahmood. In the covers, the defendant has displayed the pictures of Mukesh, Asha Bhosle, Mohammed Rafi and Talat Mahmood respectively. The titles of the various songs of which version recordings are contained in the audio compact disks marketed by the defendant are also enlisted with prominence. Once again, one finds that the words "Recorded as per provision of Section 52 of the Copyright Act, 1957" and the words "Not from the original sound track" are recorded in miniscule print compared to the other materials printed on the cover. In the title "Shradhanjali to Talat Mahmood", the defendant has recorded "The renderings incorporated in the cassettes are not renderings of the original artists but of some others whose names are mentioned on the inlay card". Even this notification is in miniscule print when compared to the other printed material. Pertinently, in the title "Gulshan Kumar presents the finest moments of Mukesh", the names of the artists who have recorded the version recordings do not appear to have been disclosed at all. There is, therefore, every likelihood of confusion in the mind of an unsuspecting customer into believing that the recordings being sold under the said cover are from the original sound track as sung by the artist Mukesh. The position in the titles of "Shradhanjali to Talat Mahmood" and "Gulshan Kumar present Asha Bhosle Remix" is slightly different. The names of the singers have been displayed with some prominence. In the version recording being sold with the title "Rafi ke Dard Bhare Nagme - Patter ke Sanam", the name of the singer Sonu Nigam is prominently displayed along with his photograph.

97. Apart from these, the learned Counsel for the plaintiff has drawn my attention to the title "Hits of Salman Khan", under which the defendant has been marketing the version recordings of various films songs featuring the actor Salman Khan. On the cover, the picture of Salman Khan, the actor is prominently displayed. The title of the songs of which version recordings are contained in the VCD are also prominently displayed. Pertinently, the cover also contains the declaration, though in smaller print, "From the original film sound track. Original

T-Series recording. Recorded as per provisions of Section 52 of the Copyright Act, 1957. Not from the original film sound track". It, therefore, appears that the said cover contains contradictory and misleading statements. While on the one hand it is stated that the recordings are from the original film sound track, in the same breadth, it is also stated that the recordings are not from the original film sound track.

98. In my view, apart from the covers with the title "Asha Bhosle Remix" and "Rafi ke Dard Bhare Nagme - Patter ke Sanam", which prominently display the names of the singers who have recorded the version recordings originally sung by Asha Bhosle and Mohammed Rafi respectively, and therefore, do not leave much room for confusion in the mind of the unsuspecting purchaser, all other covers, as discussed above, in which the defendant is marketing its version recordings, are thoroughly misleading and confusing. To me, it appears that it is a deliberate attempt on the part of the defendant to ride on the popularity of the original recordings as contained in the original sound track, by suppressing the fact that the defendants covers contained only version recordings and not recordings from the original sound track. In fact, the defendant has repeatedly made false statements by claiming that the Audio CDs contained recordings from the original sound track, as I have already noticed above.

99. The decisions relied upon by the plaintiff of the American Courts in Decca Records et al v. Musicor Records et al, 166 USPQ 57 and PPX Enterprises Inc. v. Audiofidelity Enterprises Inc., reported as 2 USPQ2d 1672, which appeal to me, would apply in the facts of the present case as well. So far as the decision in Estate of Elvis Presley v. Russen 211 USPQ 415 is concerned, the only distinction in that case was that it was the Estate of Elvis Presley, who was the plaintiff, whereas in the present case, it is not that the estate or the successor in interest of Mukesh or Talat Mahmood have approached the Court, and it is also not the case where Asha Bhosle has approached the Court.

100. The plaintiff has apparently acquired the copyright in the literary, dramatic and musical work from the original copyright owner. That would not, by itself, entitle the plaintiff to seek a restraint against the defendant from displaying the pictures of artists such as Mukesh, Talat Mahmood, Mohammed Rafi and Asha Bhosle. If such a grievance is to be made, it would be for the concerned persons/ their estate/representatives to initiate appropriate action. However, the decision in Elvis Presley (supra) otherwise appeals to me, and in the light of the said decisions, I am inclined to injunct the defendant from marketing its version recordings in the covers placed on record with the following titles:

- i) "28 Super Non Stop Remix" (Vol.2, 3 & 4)
- ii) "Finest Memories of Mukesh"
- iii) "Shradhanjali to Talat Mahmood"
- iv) "Hits of Salman Khan"

v) "Hum Aapke Hai Kaun"

However, I may clarify that it shall be open to the defendant to market its version recordings under labels and covers, which do not deceive or confuse the unsuspecting customer with regard to the fact that they are version recordings and not recordings from the original sound track.

101. I now turn to the submission of Mr. Lal that the action of the defendant in using its sound recording to produce a cinematograph film constitutes infringement of the plaintiffs copyright in the original literary, dramatic and musical works. It is submitted that the defendant combined the version recording produced by it with moving images which resulted in the production of the cinematograph film.

102. It is clear from a bare reading of the definition of cinematograph film as contained in Section 2(f) of the Copyright Act and also from a reading of the judgment of the Supreme Court in *Indian Performing Right Society Ltd. Vs. Eastern Indian Motion Pictures Association and Others*, that the term "cinematograph film" includes a sound track associated with the film. A "cinematograph film" is to be taken to include the sounds embodied in a sound track which are associated with the film. It was held by the Supreme Court in this decision that if an author (composer) of lyrics or musical works authorizes a cinematograph film producer to make a cinematograph film using his composition by recording it on the sound track of a cinematograph film, he cannot complain of the infringement of his copyright if the producer of the cinematograph film causes such lyrics or musical work recorded on the sound track of the film to be heard in public. It was further held that the composer of lyric or a musical work, however, retains the right of performing it in public for profit otherwise than as a part of the cinematograph film and he cannot be restrained from doing so. Therefore, it follows that even in a case where the author of the literary, dramatic or musical work has authorized the making of a cinematograph film, which embodies a sound track in it, the producer of the cinematograph film gets only a limited right to exploit the sound track of the cinematograph film. This, however, does not mean that where an author of a literary, dramatic or musical work has authorized the making of a sound recording of his work, the person making the authorized sound recording or even a person making a version recording by resort to Section 52(1)(j) of the Act, would be entitled to exploit the said sound recording or the version recording for the purpose of making a cinematograph film.

103. The only protection against infringement granted by Section 52 in respect of the making of a cinematograph film is contained in Clause (u) of Section 52(1). The said provision reads as follows:

52(1). The following acts shall not constitute an infringement of copyright, namely:-

(a)

... ..

(u) the inclusion in a cinematograph film of -

(i) any artistic work permanently situate in a public place or any premises to which the public has access; or

(ii) any other artistic work, if such inclusion is only by way of background or is otherwise incidental to the principal matters represented in the film

104. What does not constitute infringement of copyright in the course of making a cinematograph film is the inclusion in the cinematograph film of an artistic work which is permanently situated in a public place or in premises to which the public has access, or the inclusion in the cinematograph film of any other artistic work, if such inclusion is only by way of background, or is otherwise incidental to the principal matters represented in the film. Pertinently, literary, dramatic or musical works or the sound recordings made in respect thereof cannot be incorporated in a cinematograph film without prior licence or consent from the owners of such works, as there is no saving clause in Section 52 in respect of such works being utilized in the making of a cinematograph film.

105. VCDs and DVDs would fall within the definition of the expression "cinematograph film" defined in Section 2(f) of the Act, as recording made on a VCD/DVD is a visual recording from which moving images are produced. Copyright conferred on the owner of a copyright in a sound recording by virtue of Section 14(e) does not specifically include the right to make a cinematograph film embodying the sound recording. In contradistinction, it, inter alia, gives him the exclusive right to make any other sound recording embodying it. The right conferred on the owner of a copyright in a sound recording to communicate the sound recording to the public can only mean the right to communicate the sound recording as a sound recording. It cannot mean the right to communicate the sound recording as a part of, or as embodied in a cinematograph film. On the other hand, the right to utilize the literary, dramatic or musical work to make a cinematograph film is specifically conferred on the owner of the copyright in the literary, dramatic or musical work by virtue of Section 14(a)(iv) of the Act. The said right being an exclusive right cannot possibly inhere at the same time in two persons namely the owner of the copyright in the literary, dramatic or musical work and the owner of the copyright in the sound recording. Therefore, the owner of the copyright in a sound recording cannot proceed to incorporate the sound recording/version recording in a cinematograph film without the express licence from the owners of the copyright in the literary, dramatic or musical works from which the sound recording is made.

106. Therefore, the argument of the plaintiff that version recordings made by resort to Section 52(1)(j) cannot be incorporated in a cinematograph film, without the express consent/licence from the owner(s) of the copyright(s) in the original, literary, dramatic or musical work which were used for making the sound recording, is accepted. Consequently, the plaintiff is justified in seeking an

injunction against the defendant in so far as the defendant has purported to utilize the literary, dramatic and musical works of the plaintiff for making of VCDs/ DVDs which are cinematograph films.

107. In light of the aforesaid discussion, the aforesaid two applications seeking interim reliefs are disposed of as follows:

(A) I.A. No. 7050/1999 in C.S. (OS) No. 1625/1999 is partially allowed. The defendant is restrained from using the labels and covers in respect of the following titles:

i) "28 Super Non Stop Remix" (Vol.2, 3 & 4)

ii) "Finest Memories of Mukesh"

iii) "Shradhanjali to Talat Mahmood"

iv) "Hits of Salman Khan"

v) "Hum Aapke Hai Kaun"

However, I may clarify that it shall be open to the defendant to market its version recordings under labels and covers, which do not deceive or confuse the unsuspecting customer with regard to the fact that they are version recordings and not recordings from the original sound track.

(B) I.A. No. 2382/2005 in C.S. (OS) No. 329/2005 is allowed and the defendant is restrained from incorporating its version recordings in cinematograph films, such as VCDs and DVDs embodying the literary or musical works, the copyright of which vests in the plaintiff and without the written license from the plaintiff.

(C) The defendant shall also maintain their account books in relation to the aforesaid titles and each year the same should be placed on record within one month of the preparation and adoption of the same by the defendant, on the record of this case.

Any observation made by me in the aforesaid order is tentative and shall not prejudice any right of either party at the stage of disposal of the Suit.

Applications stands disposed of.