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Contents

Article

Internet broadcasting companies to
come within the ambit of statutory
licensing 2

Statutory Update 4

Ratio Decidendi 4



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Article

Internet broadcasting companies to come within the ambit of statutory licensing

By **Venkata Raghavan**

This article deals with statutory licensing of copyright under the Copyright (Amendment) Act, 2012 and whether internet broadcasting organizations are covered within the said Act. As is well known, copyright exists in any original literary, dramatic, musical works, sound recordings, cinematograph films, to name a few. No registration is necessary, as such. However, a copyright registration certificate is a *prima facie* evidence before any Indian Court to claim ownership, at the time of any disputes, arising from such original work.

A copyright provides an exclusive right to do or authorize some of the following acts, including:

- to reproduce the work in any material form including the storing of it in any medium by electronic means;
- to issues copies of the work to the public not being copies already in circulation;
- to perform the work in public, or communicate it to the public;
- to make any cinematograph film or sound recording in respect of the work;
- to make any translation of the work;

- to make any adaptation of the work, to name a few.

The Copyright Act, 1957 was amended in 2012, inserting Section 31D by which broadcasting organizations desirous of communicating any work to the public by way of a broadcast or by way of performance of a literary or musical work and sound recording which has been already published may do so, subject to the compliance requirements under the section.¹ The Department of Industrial Policy and Promotion (DIPP) has recently issued an Office Memorandum (OM) dated 5th September, 2016 bringing all internet broadcasting organizations within the purview of Section 31D of the Copyright (Amendment) Act, 2012.²

The term 'Broadcast' is defined as per the Copyright (Amendment) Act, 2012 as the '*communication to the public- (i) by any means of wireless diffusion, whether in any one or more of the forms of signs, sounds or visual images; or (ii) by wire, and includes a re-broadcast.*'³ The term 'Broadcasting organization' has not been defined in the Act. The term 'communication to the public' is

¹ Section 31D (1) of The Copyright (Amendment) Act, 2012

² Office Memorandum: F.NO.14-35/2015- CRB/LU (IPR VII) Dt. 05/09/16, Govt. of India, Department of Industrial Policy and Promotion (Copyright Section).

³ Section 2 (dd) of the Indian Copyright Act, 1957.

defined in Section 2(ff), introduced by the Copyright (Amendment) Act, 2012 as ‘*making any work or performance available for being seen or heard or otherwise enjoyed by the public directly or by any means of display or diffusion other than by issuing physical copies of it, whether simultaneously or at places and times chosen individually, regardless of whether any member of the public actually sees, hears or otherwise enjoys the work or performance so made available*’. The Copyright Act further provides that communication through satellite or cable or any other means of simultaneous communication to more than one household or place of residence including residential rooms of any hotel or hostel shall be deemed to be communication to the public.⁴

The DIPP, in the OM has mentioned that the words ‘*any broadcasting organization desirous of communication to the public ...*’ may not be restrictively interpreted to be covering only radio and TV broadcasts as definition of the term ‘broadcast’ read with ‘communication to the public’, appears to be including all kinds of broadcast including internet broadcasts.⁵ Section 31D of the Copyright (Amendment) Act, 2012, empowers the Copyright Board to fix royalties on statutory licenses granted under this section. The Board consists of a chairman,

along with two (2) members, entrusted with the job of adjudication of disputes pertaining to copyright registration, assignment of copyright, grant of Licenses in respect of works withheld from public, unpublished Indian works, production and publication of translations and works for certain specified purposes. It also hears cases in other miscellaneous matters instituted before it under the Copyright Act, 1957⁶.

Rule 31 provides details about the manner in which the royalties are to be determined for a statutory license. As per this rule, the Copyright Board shall on receipt of a request from any interested person for obtaining a license, give public notice of its intention to fix royalties for communication to the public of literary or musical work and sound recording under section 31D and may invite suggestions for determining the same⁷. Also, the copyright board shall:

- a. publish the notice in the Official Gazette
- b. re-publish the same in 2(two) daily newspapers having circulation in the major parts of the country.
- c. post the notice on the website of the Copyright Office and Board.⁸

Any owner of copyright or any broadcasting organization or any interested person may

⁴ Section 2(ff) of the of the Indian Copyright(Amendment) Act, 2012

⁵ Supra

⁶ Copyright Office, Government of India: url: <http://copyright.gov.in/frmcopyrightboard.aspx>

⁷ Rule 31 (1) of the Copyright Rules, 2013

⁸ Rule 31(2) of the Copyright Rules, 2013

within thirty days from the date of publication of public notice under sub-rule(1) give suggestions with adequate evidence as to the rate of royalties to be fixed including different rates for different works and different formats.⁹

Thus, all internet broadcasting organizations communicating work to the public will now be required to pay royalty fixed by the Board.

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Statutory Update

Constitution of Deputy Registrar Court

The IPAB has directed that the Deputy Registrar Court be constituted to take up cases for hearing with reference to the administrative process of maintainability of abandonment applications, appeals with defects pending under S.R. stage and extending time of upto 30 days to parties in miscellaneous proceedings

related to delays in appeals/application filed before the IPAB Registry. The Deputy Registrar will hold Court in Chennai and take up matters under Patents Act, Trademark Act and Geographical Indications Act. As per the notification dated 21-9-2016 issued in this regard, such Courts will also be established in Ahmedabad, Delhi, Kolkata and Mumbai.

Ratio Decidendi

Copyrights – Photocopying of portion of a book for distribution to students as part of course material, is not infringement

Delhi High Court has held that action of the University (defendant) of making a master photocopy of the relevant portions of the books purchased by it and keeping in its library, making further photocopies out of the said master copy and distributing the same to the students does not constitute infringement of copyright in the said books. The Single Judge of the Court was of the view that reproduction of any copyrighted work by the teacher for the purpose of imparting instruction to the pupil as prescribed in the syllabus during the academic year would be within the meaning of Section

52(1)(i) of the Copyright Act and hence would not amount to infringement. The Court also deliberated on the meaning of the phrase ‘in the course of’ and of the word ‘instruction’.

Similarly, action of the University in supplying master copy to the photocopier (another defendant) and allowing latter to supply photocopies to students at certain charge, was also held to be not in violation of the Copyright Act. The High Court in this regard compared the situation with that was prevalent in the court premises itself, whereby the advocates were taking photocopies of various judgments through a photocopier installed in the Bar library. It was opined that the fact that photocopiers were installed outside library

⁹ Rule 31(3) of the Copyright Rules, 2013

would not make a difference. [*Chancellor, Masters & Scholars of the University of Oxford v. Rameshwari Photocopy Services - CS(OS) 2439/2012*, decided on 16-9-2016, Delhi High Court]

Passing off in trade dress – Public interest and confusion are of utmost concern

A Single Judge of the Delhi High Court has granted an interim injunction in favour of the plaintiffs, restraining the defendants from passing off the trade dress of plaintiff's Rubik's cube. Rejecting the contention of the defendant that no exclusivity can be claimed in basic colors or the color black which forms the border/cage, the High Court observed that the protection was sought for the combination of all features constituting get-up of the product. It was held that in order to compare the two products with regard to trade dress, the overall look and appearance of the products and general "impression & idea" left in the mind by the consumer is to be kept in the mind.

The Court did not find force in the argument that by affixing their own label on the trade-dress, defendants have taken steps to distinguish the goods. It was held that public interest is of utmost concern in such cases and despite dissimilarities, if there is bound to be consumer confusion, then trademarks/trade dress must be held to be similar. Considering the facts of the case and comparing the two products, the Court was of the view that passing off action would lie further because the defendant provided no justification as to how they arrived at similar trade-dress. [*Seven Town Ltd. v. Kiddiland - I.A. No.13750/2010 in CS(OS)*

No. 2101/2010, decided on 6-9-2016, Delhi High Court]

Trademarks – Not every domain name entitled to trademark protection

Bombay High Court has refused to grant an interim injunction in a suit for trademark infringement and passing off in favour of the plaintiff, who is the registered proprietor of the mark and domain name "shaadi.com". The Defendant, was sought to be restrained from using the domain name secondshaadi.com in any manner, including as part of the domain name for their web-based matrimonial services. The Court in this regard held that word 'shaadi' is nothing but generic, referring to marriage and not anything else. It was held that it was incorrect to take a generic or commonly descriptive expression as part of a mark, and then, by process of deconstruction, lift the generic expression out of the mark, claim that it is 'prominent' or 'essential' or 'leading', and then lay claim to exclusivity it could never have had if used on its own. Deliberating on entitlement of trademark protection to domain names, the High Court was of the view that every domain name, even non-distinctive or descriptive ones, are not be entitled to trade mark-level protection. The Court found it incorrect to say that every domain name, because it is a domain name, will automatically receive full-blown protection of a mark.

Further, laying down a test - whether rivals have attempted to use the same commonly descriptive or generic (class 1) expression, the Court observed that if it is shown that they have, then the claims to exclusivity and

to a secondary meaning must both fail. It was noted that since there were number of rival users, against whom the plaintiff had moved, it showed non-exclusivity, and established that there were many who used the word. Lastly, while dismissing the notice of motion, the Court was of the view that there was sufficient variation in the domain names, tag lines were not similar, fonts and stylization were different along with the get up and look and feel of the websites. [*People Interactive (India) Private Limited v. Vivek Pahwa* - Notice of Motion No. 1687/2015 in Suit No. 846/2015, decided on 14-9-2016, Bombay High Court]

Trademarks – Opposition or non-grant of trademark registration immaterial in case of passing off

Delhi High Court has made absolute the interim injunction granted by it to restrain the defendant from copyright infringement in the trade label along with a device and for passing off its trademark with device of “Taj Mahal” used on the rice. Rejecting the application of the defendant seeking to vacate the interim injunction, the Court observed that plaintiff was the prior and continuous user in relation to the goods (rice), and that the trademark “Taj Mahal” with the device of “Taj Mahal” was *in toto* adopted by the defendants for the same product. The Court was of the view that in relation to such product the trade mark “Taj Mahal” with device can be said to be an arbitrary mark with a degree of distinctiveness that enables the consumer to associate the product with the producer of the product. It was held that the mark and label used by the

defendant was *prima facie* bound to cause deception and confusion in the mind of the average person who is the purchaser of rice. The High Court also earlier observed that the fact that plaintiff’s application for registration was opposed or was not granted or that others were holding registration, was of no consequence in case of passing off. [*Khushi Ram Behari Lal v. P.V Kanakaraj Trading as Kalpatharu Trading Co.* - I.A. No. 8938 of 2014 in CS (OS) 2605/2013, decided on 16-9-2016, Delhi High Court]

Trademarks – Detailed consideration of arguments not required during pendency of suit

Supreme Court of India has restored the injunction order set aside by a High Court observing that order of injunction being an interlocutory order and the suit being pending, the Court should be constrained to embark upon a detailed consideration of the arguments and to record findings, as the same may prejudice either of the parties in the suit. The Apex Court in this regard noted the relevant clauses of the agreements between the parties and was of the view that the High Court fell into error in interfering with the order of the trial court.

The High Court had, while setting aside the injunction, observed that what was prohibited in the agreement was that the parties will not use the name “HERO” in prefix and suffix in the trademark with respect to manufacturing of bicycles. It was noted that the agreement did not show that they cannot use the name of the

Company, as the bicycles were manufactured by 'Hero Ecotech Ltd.' which is the name of the Company. Earlier, the trial court had restrained Hero Ecotech from using registered trade mark "HERO". [*Hero Cycles Limited v. Hero Ecotech Limited* – SLP No. 27778/2015, decided on 31-8-2016, Supreme Court]

Harmonising the copyright of author in a song and sound recording, prior to the 2012 amendment

The Supreme Court has held that prior to the amendment in 2012, to the Copyright Act, 1957 the author of copyright in a work (song) could not claim royalty for further exploitation of derivative work (sound recording). The appellant was aggrieved over the decision of the Division Bench which upheld the order of the Single Judge that a person (broadcaster/event manager) who wishes to 'communicate to the public' a sound recording need not obtain permission from the lyricist and musician if he has already obtained permission from the

person who made the sound recording. The appellants – society of authors, composers etc., – argued that the right of the lyricist/musician existed independent of the right the person who made the recording and any person seeking to make use of the copyrighted work must seek the license to do so. The Supreme Court stated that the amendment to Section 19 that no assignment of copyright to make a sound recording shall affect the right of the author to share in the royalties payable for utilization of the work was effective 21-6-2012 and the period of dispute was prior to it. Hence, the author of the sound recording could assign the same to another person. Such assignee would not have to get permission from the authors of the literary or musical work to communicate the recordings. [*International Confederation of Societies of Authors & Composers v. Aditya Pandey & Ors*, Civil Appeal No. 9414-9415 of 2016, judgement dated 20-9-2016 Supreme Court]

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