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“शिक्षा मानव को बन्धनों से मुक्त करती है और आज के युग में तो लोकतंत्र की भावना का आधार भी है। जन्म तथा अन्य कारणों से उत्पन्न जाति एवं वर्णगत विषमताओं को दूर करते हुए मनुष्य को इन सबसे ऊपर उठाती है।”

- इन्दिरा गाँधी

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"Education is a liberating force, and in our age it is also a democratising force, cutting across the barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances."

- Indira Gandhi

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Indira Gandhi  
National Open University  
School of Law

**MIP-105**  
**Copyright and**  
**Related Rights**

Block

**3**

**COPYRIGHT PIRACY**

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**UNIT 9**

**Infringement of Copyright** **5**

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## **BLOCK 3 COPYRIGHT PIRACY**

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This Block on copyright piracy consists of four units. Infringement of copyright can also be referred as copyright piracy. Infringement of copyright is defined by an author as “a trespass on a private domain owned and occupied by the owner of the copyright and therefore, protected by law”.

Unit 9 of this Course deals with infringement of copyright. The term infringement is not defined in the Act, however the act defines the term ‘infringing copy’. These terms are elaborately discussed in the unit along with examples. Other issues like what is meant by copying, colorable invitation, importation etc are also discussed and explained. A detailed description of the Indian Law is discussed in the Unit pertaining to infringement.

Unit 10 of this Course deals with the civil remedies available in case of infringement of copyright under the Indian Copyright Act.

Unit 11 of this Course explain the criminal proceedings and offences related to copyright infringement.

Unit 12 of this Course talks about border measures wherein the Convention and the Indian Law pertaining to the Border Measures are dealt and explained elaborately.

# RESEARCH & DEVELOPMENT DEPARTMENT

MEMORANDUM FOR THE RECORD

DATE: 10/26/54

TO: SAC, NEW YORK

FROM: SAC, NEW YORK

SUBJECT: [Illegible]

RE: [Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

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[Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

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# UNIT 9 INFRINGEMENT OF COPYRIGHT

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## Structure

- 9.1 Introduction
- 9.2 Objectives
- 9.3 Infringements
- 9.4 Permitted Uses
- 9.5 Summary
- 9.6 Terminal Questions
- 9.7 Answers and Hints
- 9.8 References and Suggested Readings

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## 9.1 INTRODUCTION

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Copyright is a bundle of exclusive rights to do certain acts with works. While the copyright law does not say that the person should exercise those rights, anyone else doing any of the acts which is an exclusive right of the copyright owner, without the owner's consent, is infringing the rights of the copyright owner.

A term which is in common use when discussing copyright infringement is 'piracy' or 'copyright piracy', which has been in use since the times of the Statute of Anne of 1709. *WIPO Intellectual Property Handbook* defines the term as "the unauthorised copying of copyright materials for commercial purposes and the unauthorised commercial dealing in copied materials."

The Berne Convention for the Protection of Literary and Artistic Works, the oldest international treaty on protection of copyright, in its Article 16, makes it an obligation of the Convention countries to seize infringing copies of a work. This obligation extends to reproductions coming from a country where the work is not protected, or has ceased to be protected. The Convention, however, does not proceed to define what is an infringing copy. This is left to the domestic laws. Essentially the Berne Convention mandates that countries who are parties to the Convention should have necessary legislation for protection of the various rights that the Convention encompasses and also provide the legal means for protection of them. This would include measures necessary to take action against those who infringe the rights.

The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) has incorporated the substantive provisions of the Berne Convention including Article 16. It also contains detailed provisions on the enforcement of rights. These can be divided into the following categories: provisional measures, civil remedies, criminal sanctions border measures and technological protection measures.

The purposes of provisional measures are to prevent infringements from occurring or at least the infringing goods from entering the commercial channels, and to preserve relevant evidence in regard to the alleged infringement. This is mostly done through the judiciary.

Civil remedies are to take care of the economic losses of the copyright owner. This could involve damages and destruction or return to the copyright owner of the infringing goods. Injunctions are also a part of the civil remedies in almost all jurisdictions.

Criminal sanctions are intended to punish the infringers. Many a time the penalties include imprisonment and fine.

Border measures are meant to prevent infringing goods from being imported into the country. Some countries also impose border measures to prevent export of infringing goods.

With the emergence of digital technologies, copyright owners have started using technological measures of protection. Pirates and other infringers are also devising ways to defeat or crack those technological measures of protection. Consequently, countries are introducing provisions in the law to make such acts illegal.

While copyright protection itself is a result of technological advancements, starting with printing technology, piracy also has expanded with technological developments. Certain recent technological advancements have great impact on copyright protection and infringement. The growth of electronic, information and communication technologies has made it easy for works to be copied and transferred. Even amateurs can now copy a digital work with the click of a button and transmit to millions of others instantaneously.

The medium in which works were recorded earlier is also changing. Gone are the days when paper was the only means of recording literary works. Now, electronic medium is used for recording all kinds of works. This medium makes it easy to copy and transmit a work.

The copies are also now of the same quality as the original. Such developments have contributed to more copyright infringement.

The international intellectual property community has responded to these new challenges by extending the scope of copyright protection and applying copyright laws all kinds of medium, including the Internet. World Intellectual Property Organisation convened a Diplomatic Conference in 1996 to address the new challenges. This Conference came out with two new treaties, namely, WIPO Copyright Treaty (WCT) and WIPO Phonograms and Performances Treaty (WPPT). Together these two treaties are being referred to as Internet Treaties. They contain almost identical provisions regarding infringement and enforcement of copyright.

The WCT) obliges the member countries to provide legal remedies against the circumvention of technological measures (e.g., encryption) used by authors in connection with the exercise of their rights and against the removal or altering of information, such as certain data that identify works or their authors, necessary for the management (e.g., licensing, collecting and distribution of royalties) of their rights ("rights management information").

The Treaty also obliges each member country to adopt, in accordance with its legal system, the measures necessary to ensure that enforcement procedures are available under its law so as to permit effective action against any act of infringement of rights covered by the Treaty. Such action must include expeditious remedies to prevent infringement and remedies which constitute a deterrent to further infringements.

The definition of infringement will vary depending on the national law concerned. Something which is permissible in one jurisdiction may not be a permissible action in another jurisdiction. In such a case, that action can be a legal action in one country and an illegal action in another country.

As far as India is concerned, the Copyright Act does not define 'infringement', but it defines infringing copy. Essentially, it says any copy made or imported in contravention of the provisions of the Copyright Act is an infringing copy. This includes copy of a film made on any medium by any means. So far as sound recording is concerned, it says, any other recording embodying the same sound recording made by any means is an infringing copy.

**Self Assessment Questions**

**(Spend 3 minutes each)**

1) What is copyright piracy?

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2) What are the obligations of member countries of Berne convention in regard to copyright infringement?

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3) Write a paragraph on TRIPS and copyright enforcement.

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**9.2 OBJECTIVES**

After reading this unit, you should be able to:

- acquaint you with the various provisions regarding infringement of copyright and what are the remedies for them; and
- guide about the uses which can be done without any specific authorisation by the copyright owner.

## 9.3 INFRINGEMENTS

### Statute

#### 51. *When copyright infringed.*

*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 Copyrights 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".*

#### 53. *Importation of infringing copies.*

- 1) *The owner of any right conferred by this Act in respect of any work or any performance embodied in such work, or his duly authorised agent, may give notice in writing to the Commissioner of Customs, or to any other officer authorized in this behalf by the Central Board of Excise and Customs,—*
  - a) *that he is the owner of the said right, with proof thereof; and*
  - b) *that he requests the Commissioner for a period specified in the notice, which shall not exceed one year, to treat infringing copies of the work as prohibited goods, and that infringing copies of the work are expected to arrive in India at a time and a place specified in the notice.*
- 2) *The Commissioner, after scrutiny of the evidence furnished by the owner of the right and on being satisfied may, subject to the provisions of sub-section (3), treat infringing copies of the work as prohibited goods that have been imported into India, excluding goods in transit:*

*Provided that the owner of the work deposits such amount as the Commissioner may require as security having regard to the likely expenses on demurrage, cost of storage and compensation to the importer in case it is found that the works are not infringing copies.*

- 3) *When any goods treated as prohibited under sub-section (2) have been detained, the Customs Officer detaining them shall inform the importer as well as the person who gave notice under sub-section (1) of the detention of such goods within forty-eight hours of their detention.*
- 4) *The Customs Officer shall release the goods, and they shall no longer be treated as prohibited goods, if the person who gave notice under sub-section (1) does not produce any order from a court having jurisdiction as to the temporary or permanent disposal of such goods within fourteen days from the date of their detention.*

### **Definition and Scope**

Since copyright is a right bestowed by the statute on authors of literary, dramatic, musical and artistic works and cinematograph films and sound recordings, performance of any of those acts by a third party without the permission of the owner is an infringement of the rights, unless the same are permitted by the law itself.

Infringement of copyright is defined by an author as “a trespass on a private domain owned and occupied by the owner of the copyright and, therefore, protected by law, and infringement of copyright or piracy, which is a synonymous term in this connection, consists in the doing by any person, without the consent of the owner of the copyright, of anything the sole right to do which is conferred by the statute on the owner of the copyright.” (*Corpus Juris Secundum*). This brings out the meaning of infringement as doing something which is the exclusive right of the owner, by someone who is not authorised to do so.

As already mentioned in the Introduction, the term ‘infringement’ is not defined in the Copyright Act. But the Act defines the term ‘infringing copy’ to mean

- i) In relation to a literary, dramatic, musical or artistic work, a reproduction thereof otherwise than in the form of a cinematograph film;
- ii) In relation to a cinematograph film, a copy of the film or record embodying the recording in any part of the sound tract associated with the film
- iii) In relation to a record, any such record embodying the same recording, and
- iv) In relation to a programme in which a broadcast reproduction rights subsists, a record recording the programme, if such copy or record is made or imported in contravention of the provisions of the Copyright Act.

As per the above definition, reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film is not include in the list of infringing copies. However, in another section (Section 51) dealing with infringement of copyright, the Copyright Act says that reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film will be deemed to be an infringing copy.

Copyright in a work is deemed to be infringed when any person, without a licence granted by the owner of the copyright or the Registrar of copyrights does anything, the exclusive right to do which is with the copyright owner. Even if such act is done with a licence but in contravention of the conditions of the licence then that is also an infringement.

It is also an act of infringement to permit for profit any place to be used for the communication of a copyright work to the public if such communication to the public is an infringement. That is it is done without the authorisation of the owner or the Registrar of Copyrights. However, if the authority who permitted the use of the place can prove in a court of law that he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright.

Another set of infringements relate to distribution. This includes making for sale or hire or selling or letting out for hire any infringing copy of a work. Even if it is only display, but intended for sale, then that is also an infringement. There could be cases where the copies of the work have not been sold for profit or as part of trade, but if the distribution affects prejudicially the interests of the owner, then that is also infringement. For example, a free distribution of 200 copies of a book can prejudicially affect the economic interests of the owner. But for such distribution, those 200 persons might have purchased the book at the price fixed and the author would have got royalties. Therefore, that is an act prejudicial to the interests of the copyright owner even if the other party is not making any profit.

Displaying infringing copies of a work in a trade exhibition is also an infringement. The starting point, in a way, of infringement is the reproduction without authorisation of a copyright work. Reproduction could include reproduction of a two dimensional work in three dimension and a three dimension work in two dimension.

***Factors to be taken into account***

W.R. Cornish in his book *Intellectual Property* has listed the following factors to be taken into account in deciding whether infringement has occurred or not:

- A) Copying
  - a) Casual connection
  - b) Subconscious copying
  - c) Indirect copying
- B) Substantial taking
  - a) Unaltered copying
  - b) Extent of defendant's alteration
  - c) Character of plaintiff's and defendant's works
  - d) Nature of plaintiff's efforts
  - e) Extent of plaintiff's effort
  - f) Manner in which defendant has taken advantage of plaintiff's work

- g) Extent of interference with plaintiff's exploitation by defendant's acts
- h) Reproduction by the original author

Disputes often arise as to whether a work is a copy of another work. Such an issue came up in the case of *R. G Anand v. Delux Film* [AIR 1978 SC 1613]. In this case the issue was whether the film 'New Delhi' is an infringement of the stage play, 'Hum Hindustani'. The Court opined that 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. As a violation of copyright amounts to an act of piracy it must be proved by clear and cogent evidence. Where however the question is of the violation of the copyright of a stage play by a film producer or a Director the task becomes more difficult to prove piracy. It is manifest that unlike a stage play a film has a much broader prospective, wider field and a bigger background where the alleged infringer can by introducing a variety of incidents give a colour and complexion different from the manner in which the copyrighted work has expressed the idea. Even so, if the viewer after seeing the film gets a totality of impression that the film is by and large a copy of the original play, violation of the copyright may be said to be proved.

The court also quoted Copinger and Skone James on the issue: "it is only an infringement if the defendant has made an unlawful use of the form in which the thought or information is expressed. The defendant must to be liable, have made a substantial use of this form; he is not liable if he has taken from the work the essential, ideas however original, and expressed the idea in his own form, or used the idea for his own purposes."

#### ***General Principles regarding Infringement***

In the above case the court laid down the following general principles regarding copyright infringement:

- 1) There can be no copyright in an idea, subject matter, themes, plots or historical or legendary facts and violation of the copyright in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copy-righted work.
- 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 words are clearly incidental no infringement of the copyright comes into existence.
- 6) As a violation of copyright amounts to an act of piracy it must be proved By clear and cogent evidence after applying the various tests laid down by decided cases.
- 7) Where however the question is of the violation of the copyright of a stage play by a film producer or a Director the task of the plaintiff becomes more difficult to prove piracy. It is manifest that unlike a stage play a film has a much broader prospective, wider field and a bigger background where the defendants can by introducing a variety of incidents give a colour and complexion different from the manner in which the copyrighted work has expressed the Idea. Even so, if the viewer after seeing the film gets a totality of impression that the film is by and large a copy of the original play, violation of the copyright may be said to be proved.

#### ***What is a Copy?***

The question of what is a copy also comes up in many cases. In a British case, the judge defined the term copy as that which comes so near to the original as to give every person seeing it the idea created by the original. Therefore, if seeing something an ordinary person gets the impression that it is a copy of another work, then that can be considered a copy. In a case relating to copying of a picture, even though the copy was not complete, it was held to be an infringement because the effect on the mind by studying the two pictures was that the second (incomplete) picture was nothing but a copy of the original.

In many cases some similarities cannot be excluded. For example, where the source is common or the subjects are the same. The main test is whether the person has spent his own time and energy and created something which came out of his mind or just copies from some other source.

Another aspect looked into by courts is the quantity of copying to decide whether there is culpable infringement or not. Substantiality is a question of both quantity and quality. Courts examine whether the alleged infringer made any substantial or unfair use of the other person's work. Sometimes, even a small quantity copying can also become an infringement. In the case of *D. Narayana Rao v. V. Prasad* [(1979) 2 APLJ 231], the defendant has copied and used a speech for a duration of 2 ½ minutes in a cinematograph film which had a total duration of more than three hours. However, the court held it as an infringement. It is, therefore, not always the length but the criticality which matters.

#### ***Colourable Imitation***

Colourable imitation criterion has also been used by courts to determine infringement. In a case in the J&K High court, it was held that "it is well settled that in order to be actionable the infringement must be a colourable imitation of the original with the purpose of deriving profit." (AIR 1965 J&K 101). Calcutta

High Court had already observed on the issue of colourable imitation in the following words: "Whether a work is a colourable imitation of another's must necessarily be a question of fact. Similarity is a great point to be considered in this connection but mere similarity is not enough as it may be due to any one of four hypothesis ... (1) to mere chance, (2) to both works being taken from a common source, (3) to plaintiff's work being taken from the defendant's, and (4) defendant's work being taken from the plaintiff's and each case must depend upon its own circumstances." In the *R.G. Anand v. Delux Films*, the Supreme court had observed that mere similarities by themselves are not sufficient to raise an inference of colourable imitation.

### **Importation**

Importation of infringing copies of any work is an infringement. When the copies that are being imported are infringing copies as per the laws of both the exporting and importing country, there is no confusion. Where this is not the case, then doubts can occur.

An issue that has come up in matters relating to importation of copies is the difference in the status of infringement in two countries. This happened in the case of *Penguin Books Ltd. v. India Book Distributors* [AIR 1985 Delhi 29]. In this case the defendant was importing copies of certain English titles from the USA. The issue came up because the copyright licensees in the USA and in India were different. The licences were territorial. Penguin Books contended that the importation of American editions for the purpose of resale in India is an infringement of copyright of Penguins. They have a territorially exclusive licence for India. Therefore the act of importation of American books by the defendants must be shown to have been licensed. "Importation is forbidden unless a license has been given." If this view is not taken, not only will the procedure of granting exclusive licenses for particular areas of copyright be seriously undermined, but the national division of copyright set up under the system of International Copyright Convention in so far as it provides for partial assignments and exclusive licenses, both vertical and horizontal, would to a significant degree be subverted.

India Book Distributors argued that importation of lawfully published books from America into India is not an infringement under the Copyright Act, 1957. The court held this as a fallacious argument. The expression "owner of copyright" includes an exclusive licensee. Penguins are exclusive licensees as they are the assignees of copyrights from the authors in some cases and publishers in others and have an exclusive right to print, publish and market these twenty three titles in India. So Penguins are entitled to sue "for the infringement of a right".

The court further held that importation of books which are "infringing copies of the work" is an infringement. So is the sale thereof. If any person, without the license of the copyright owner, imports into India for the purpose of selling or distributing for purposes of trade the literary work the copyright is infringed. Any importation of infringing copies is therefore an infringement unless it is for the importer's own use. American books may be lawfully published in America. But when the copies of those publications are imported into this country, an action for infringement would lie in this country against the importer in respect of those copies. An action would also lie against any person who for instance sold or distributed such copies here. Because the books have been imported and sold without the license of the owner of the copyright or his exclusive licensee.

This case has clearly illustrated that infringement is to be decided as per the domestic laws and not as per the law of another country. Something which may be legal in the US became illegal here because it was infringing someone else's copyright here.

The meaning of 'import' also can raise issues some times. Whether goods in transit are covered by import? This issue came up in the case *Gramophone Company of India Ltd v. Birendra Bahadur Pandey & Ors* [1984 AIR 667]. This was the case of a consignment of pre-recorded cassettes which arrived at the Calcutta port in transit to Nepal. The cassettes were not meant for the Indian market. The Supreme Court gave the following ruling on the meaning of 'import' under Copyright Act:

The word 'import' is not defined in the Copyright Act though it is defined in the Customs Act. But the same word may mean different things in different enactments and in different contexts. It may even mean different things at different places in the same statute. It all depends on the sense of the provision where it occurs. Reference to dictionaries is hardly of any avail particularly in the case of words of ordinary parlance with a variety of well-know meanings. Such word takes colour from the context. Appeal to the Latin root won't help. The appeal must be to the sense of the statute. The submission that where goods are brought into the country not for commerce, but for onward transmission to another country, there can, in law, be no importation, is not acceptable. In the first place, the language of Section 53 does not justify reading the words 'imported for commerce' for the words 'imported; Nor is there any reason to assume that such was the object of the legislature. While interpreting the words 'import' in the Copyright Act, one must take note that while the positive requirement of the Copyright Conventions is to protect copyright, negatively also, the Transit Trade Convention and the bilateral Treaty make exceptions enabling the transit state to take measure to protect Copyright. If this much is borne in mind, it becomes clear that the word 'import' in Section 53 of the Copyright Act cannot bear the narrow interpretation sought to be placed upon it to limit it to import for commerce. It must be interpreted in a sense which will fit the Copyright Act into the setting of the International Conventions.

The word 'import' in Sections 51 and 53 of the Copyright Act means bringing into India from outside India', that it is not limited to importation for commerce only, but includes importation for transit across the country. This interpretation, far from being inconsistent with any principle of International Law, is entirely in accord with International Conventions and the Treaties between India and Nepal. An order under Section 53 may be made by the Registrar of Copyrights on the application of the owner of the Copyright, but after making such enquiry as the Registrar deems fit. On the order being made the offending copies are deemed to be goods whose import has been prohibited or restricted under Section 11 of the Customs Act. There upon the relevant provisions of the Customs Act are to apply, with the difference that confiscated copies shall not vest in the Government, but shall be delivered to the owner of the Copyright.

It is, therefore, amply clear that the Copyright Act covers goods in transit too and the word 'import' is not restricted to import for commerce within the country.

**Self Assessment Questions**

**(Spend 3 minutes each)**

4) What is infringement?

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5) What is colourable imitation?

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6) Can a lawfully produced copy in one country become an infringing copy in another country?

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7) Are goods in transit covered by the Copyright Act?

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**9.4 PERMITTED USES**

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*Statute*

**52. Certain acts not to be infringement of copyright. –**

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

- a) *a fair dealing with any work not being a computer programme for the purposes of-*

- i) *private or personal use, including research;*
- ii) *criticism or review, whether of that work or of any other work;*
- iii) *the reporting of current events and current affairs, including the reporting of a lecture delivered in public.*

*Explanation – The storing of any work in any electronic medium for the purposes mentioned in this clause, including the incidental storage of any computer programme which is not itself an infringing copy for the said purposes, shall not constitute infringement of copyright.*

- aa) *the making of copies or adaptation of a computer programme by the lawful possessor of a copy of such computer programme, from such copy-*
  - i) *in order to utilise the computer programme for the purposes for which it was supplied; or*
  - ii) *to make back-up copies purely as a temporary protection against loss, destruction or damage in order only to utilise the computer programme for the purpose for which it was supplied;”*
- ab) *the doing of any act necessary to obtain information essential for operating inter-operability of an independently created computer programme with other programmes by a lawful possessor of a computer programme provided that such information is not otherwise readily available;*
- ac) *the observation, study or test of functioning of the computer programme in order to determine the ideas and principles which underline any elements of the programme while performing such acts necessary for the functions for which the computer programme was supplied;*
- ad) *the making of copies or adaptation of the computer programme from a personally legally obtained copy for non-commercial personal use;*
- b) *the transient or incidental storage of a work or performance purely in the technical process of electronic transmission or communication to the public;*
- c) *transient or incidental storage of a work or performance for the purpose of providing electronic links, access or integration, where such links, access or integration has not been expressly prohibited by the right holder, unless the person responsible is aware or has reasonable grounds for believing that such storage is of an infringing copy:*

*Provided that if the person responsible for the storage of the copy has received a written complaint from the owner of copyright in the work, complaining that such transient or incidental storage is an infringement, such person responsible for the storage shall refrain from facilitating such access for a period of twenty-one days or till he receives an order from the competent court refraining from facilitating access and in case no such order is received before the expiry of such period of twenty-one days, he may continue to provide the facility of such access;*
- d) *the reproduction of any work for the purpose of a judicial proceeding or for the purpose of a report of a judicial proceeding;*

- e) *the reproduction or publication of any work prepared by the Secretariat of a Legislature or, where the Legislature consists of two Houses, by the Secretariat of either House of the Legislature, exclusively for the use of the members of that Legislature;*
- f) *the reproduction of any work in a certified copy made or supplied in accordance with any law for the time being in force;*
- g) *the reading or recitation in public of reasonable extracts from a published literary or dramatic work;*
- h) *the publication in a collection, mainly composed of non-copyright matter, bona fide intended for instructional use, and so described in the title and in any advertisement issued by or on behalf of the publisher, of short passages from published literary or dramatic works, not themselves published for such use in which copyright subsists:*

*Provided that not more than two such passages from works by the same author are published by the same publisher during any period of five years.*

*Explanation.—In the case of a work of joint authorship, references in this clause to passages from works shall include references to passages from works by any one or more of the authors of those passages or by any one or more of those authors in collaboration with any other person;*

- i) *the reproduction of any work—*
  - i) *by a teacher or a pupil in the course of instruction; or*
  - ii) *as part of the questions to be answered in an examination; or*
  - iii) *in answers to such questions;*
- j) *the performance, in the course of the activities of an educational institution, of a literary, dramatic or musical work by the staff and students of the institution, or of a cinematograph film or a sound recording if the audience is limited to such staff and students, the parents and guardians of the students and persons connected with the activities of the institution or the communication to such an audience of a cinematograph film or sound recording;*
- k) *the causing of a recording to be heard in public by utilising it, -*
  - i) *in an enclosed room or hall meant for the common use of residents in any residential premises not being a hotel or similar commercial establishment) as part of the amenities provided exclusively or mainly for residents therein; or*
  - ii) *as part of the activities of a club or similar organisation which is not established or conducted for profit;*
  - iii) *as part of the activities of a club, society or other organisation which is not established or conducted for profit;*
- l) *the performance of a literary, dramatic or musical work by an amateur club or society, if the performance is given to a non-paying audience, or for the benefit of a religious institution;*

- m) *the reproduction in a newspaper, magazine or other periodical of an article on current economic, political, social or religious topics, unless the author of such article has expressly reserved to himself the right of such reproduction;*
- n) *the storing of a work in any medium by electronic means by a noncommercial public library, for preservation if the library already possesses a non-digital copy of the work;*
- o) *the making of not more than three copies of a book (including a pamphlet, sheet of music, map, chart or plan) by or under the direction of the person in charge of a non-commercial public library for the use of the library if such book is not available for sale in India;*
- p) *the reproduction, for the purpose of research or private study or with a view to publication, of an unpublished literary, dramatic or musical work kept in a library, museum or other institution to which the public has access :*

*Provided that where the identity of the author of any such work or, in the case of a work of joint authorship, of any of the authors is known to the library, museum or other institution, as the case may be, the provisions of this clause shall apply only if such reproduction is made at a time more than sixty years from the date of the death of the author or, in the case of a work of joint authorship, from the death of the author whose identity is known or, if the identity of more authors than one is known from the death of such of those authors who dies last;*

- q) *the reproduction or publication of-*
  - i) *any matter which has been published in any Official Gazette except an Act of a Legislature;*
  - ii) *any Act of a Legislature subject to the condition that such Act is reproduced or published together with any commentary thereon or any other original matter;*
  - iii) *the report of any committee, commission, council, board or other like body appointed by the Government if such report has been laid on the Table of the Legislature, unless the reproduction or publication of such report is prohibited by the Government;*
  - iv) *any judgement or order of a court, tribunal or other judicial authority, unless the reproduction or publication of such judgment or order is prohibited by the court, the tribunal or other judicial authority, as the case may be;*
- r) *the production or publication of a translation in any Indian language of an Act of a Legislature and of any rules or orders made thereunder-*
  - i) *if no translation of such Act or rules or orders in that language has previously been produced or published by the Government; or*
  - ii) *where a translation of such Act or rules or orders in that language has been produced or published by the Government, if the translation is not available for sale to the public:*

*Provided that such translation contains a statement at a prominent place to the effect that the translation has not been authorised or accepted as authentic by the Government;*

- s) *the making or publishing of a painting, drawing, engraving or photograph of a work of architecture or the display of a work of architecture;*
- t) *the making or publishing of a painting, drawing, engraving or photograph of a sculpture, or other artistic work falling under sub-clause (iii) of clause (c) of Section 2, if such work is permanently situated in a public place or any premises to which the public has access;*
- u) *the inclusion in a cinematograph film of-*
  - i) *any artistic work permanently situated 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;*
- v) *the use by the author of an artistic work, where the author of such work is not the owner of the copyright therein, of any mould, cast, sketch, plan, model or study made by him for the purpose of the work :*

*Provided that he does not thereby repeat or imitate the main design of the work;*

- w) *the making of a three-dimensional object from a two-dimensional artistic work, such as a technical drawing, for the purposes of industrial application of any purely functional part of a useful device*
- x) *the reconstruction of a building or structure in accordance with the architectural drawings or plans by reference to which the building or structure was originally constructed :*

*Provided that the original construction was made with the consent or licence of the owner of the copyright in such drawings and plans;*

- y) *in relation to a literary, dramatic, artistic or musical work recorded or reproduced in any cinematograph film the exhibition of such film after the expiration of the term of copyright therein :*

*Provided that the provisions of sub-clause (ii) of clause (a), sub-clause (a) of clause (b) and clauses (d), (f), (g), (m) and (p) shall not apply as respects any act unless that act is accompanied by an acknowledgment-*

- i) *identifying the work by its title or other description; and*
- ii) *unless the work is anonymous or the author of the work has previously agreed or required that no acknowledgement of his name should be made, also identifying the author.*
- z) *the making of an ephemeral recording, by a broadcasting organisation using its own facilities for its own broadcast by a broadcasting*

*organisation of a work which it has the right to broadcast; and the retention of such recording for archival purposes on the ground of its exceptional documentary character;*

- za) *the performance of a literary, dramatic or musical work or the communication to the public of such work or of a sound recording in the course of any bona fide religious ceremony or an official ceremony held by the Central Government or the State Government or any local authority.*

*Explanation.— For the purpose of this clause, religious ceremony including a marriage procession and other social festivities associated with a marriage.*

- zb) *the adaptation, reproduction, issue of copies or communication to the public of any work in any accessible format, by—*

- i) *any person to facilitate persons with disability to access to works including sharing with any person with disability of such accessible format for private or personal use, educational purpose or research; or*
- ii) *any organisation working for the benefit of the persons with disabilities in case the normal format prevents the enjoyment of such works by such persons:*

*Provided that the copies of the works in such accessible format are made available to the persons with disabilities on a non-profit basis but to recover only the cost of production:*

*Provided further that the organization shall ensure that the copies of works in such accessible format are used only by persons with disabilities and takes reasonable steps to prevent its entry into ordinary channels of business.*

*Explanation.—For the purposes of the sub-clause, “any organization” includes an organization registered under section 12A of the Income-tax Act, 1961 and working for the benefit of persons with disability or recognized under Chapter X of the Persons with Disabilities (Equal Opportunities, Protection or Rights and Full Participation) Act, 1995 or receiving grants from the government for facilitating access to persons with disabilities or an educational institution or library or archives recognized by the Government.*

*(2) The provisions of sub-section (1) shall apply to the doing of any act in relation to the translation of a literary, dramatic or musical work or the adaptation of a literary, dramatic, musical or artistic work as they apply in relation to the work itself.*

### **Exceptions to copyrights**

The ultimate objective of protection of intellectual property rights is to ensure more and more creativity which result in the advancement of culture, technology, science and trade. In other words overall development of humanity. This means

that the rights should not become an insurmountable barrier to access creative works. The public needs to be provided with reasonable access. This principle is accepted in the TRIPS Agreement when it says, in Article 7, "the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations."

Articles 9 and 10 of the Berne Convention also speak about exceptions to the rights and certain permissible free uses. It says, "it shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author." In this Union refers to the Berne Union, which is the assembly of all member countries of the Berne convention.

This article lays down what has later come to be known as the three step test. The test is that

- The exceptions to the general law of protection should be in special cases only
- The exception should not conflict with a normal exploitation of the work
- The exception should not unreasonably prejudice the interest of the owner.

The Berne convention also provides for certain free uses such as making quotations from a work which has already been lawfully made available to the public. That means it should be a published or communicated to the public work. Such quotations should be compatible with fair practices. While the Berne convention does not prescribe how much could be the length of the quotation, it says that it should not exceed the justified purpose.

The Berne convention also provides for exceptions to be made for teaching. In this case also the utilisation should be compatible with fair practices.

### ***Indian Law***

The Indian Copyright Act has listed the acts which are not to be considered as infringement of copyright. The main criteria are that the uses should be non-commercial and should be fair. These provisions are there with a view to facilitate growth and spread of knowledge and culture.

A fair dealing with any work for the purpose of private use including research, criticism or review or news reporting is one of the permitted acts. Fair dealing is not defined in the Act. One can say that the use has to be reasonable to the purpose and should not unduly affect the rights of the copyright owner. The three-step test of the Berne Convention can be used for deciding the reasonableness of the use. It is necessary to provide this exception, since copyright is intended to afford encouragement to the production of literary and artistic works. For that access needs to be provided to the works to others and it would not be practical or reasonable to insist that every small use should be with the permission of the copyright owner. This is also an issue of balancing of the public interest with the private rights which copyrights are.

The question of fair dealing came up for consideration in *Civic Chandran v. Ammini Amma* [1996(16) PTC 670] in the Kerala High Court. The defendants had published a play 'Ningal Are Communistakki' (Whom did you make a Communist) that was intended to be a critique of a famous play 'Ningal Enna Communistakki?' (You Made Me a Communist). The Court noted that since the term 'reproduction' is not used in the context of fair dealing, "it may be reasonable to hold that the reproduction of the whole work or a substantial portion of it as such will not normally be permitted and only extracts or quotations from the work will alone be permitted even as 'fair dealing.'" It further said that "the quantum of extracts or quotations permissible will depend upon the circumstances of each case. It may not be proper to lay down any hard and fast rules to cover all cases where infringement of copyright is alleged on the basis of extracts or quotations from the copyrighted work. In a case ... court will have to take into consideration (1) the quantum and value of the matter taken in relation to the comments or criticism; (2) the purpose for which it is taken; and (3) the likelihood of competition between the two works."

In the case of *The Chancellor Masters And Scholars of The University of Oxford v. Narendera Publishing House and Ors* (2008, Del) the question of fair dealing was subjected to detailed examination. Following are extracts relating to fair dealing from that judgement

The doctrine of fair use or fair dealing is an integral part of copyright law. It permits reproduction of the copyrighted work or use in a manner, which, but for the exception carved out would have amounted to infringement of the copyright. In a seminal article published in 1990 Judge Pierre N Leval, wrote:

The doctrine of fair use need not be so mysterious or dependent on intuitive judgments. Fair use should be perceived not as a disorderly basket of exceptions to the rules of copyright, nor as a departure from the principles governing that body of law, but rather as a rational, integral part of copyright, whose observance is necessary to achieve the objectives of that law? Fair use should not be considered a bizarre, occasionally tolerated departure from the grand conception of the copyright monopoly. To the contrary, it is a necessary part of the overall design. Briefly stated, the use must be of a character that serves the copyright objective of stimulating productive thought and public instruction without excessively diminishing the incentives for creativity. (Toward a Fair Use Standard, 103 HARV. L. REV. 1105 (1990)) One of the earliest decisions to deal with the doctrine of fair use was *Folsom et al. v. Marsh et al*, 9 F. Cas. 342, 1841 US App, where the Supreme Court laid down the following:

"In short, we must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work. Many mixed ingredients enter into the discussion of such questions. In some cases, a considerable portion of the materials of the original work may be fused, if I may use such an expression, into another work, so as to be undistinguishable in the mass of the latter, which has other professed and obvious objects, and cannot fairly be treated as a piracy; or they may be inserted as a sort of distinct and mosaic work, into the general texture of the second work, and constitute the peculiar excellence thereof, and then it may be a clear piracy."

The breadth of the fair use doctrine use was put to test in *Harper and Row v. Nation Enterprises* 471 US 539 (1985). Harper had contracted to publish Presidents Ford's memoirs. In exchange for \$ 25,000, Harper allowed Time Magazine to extract 7500 word passage from the book, which dealt with the pardon to President Nixon. The Editor of 'Nation' Magazine wrote an article relying on an unauthorised version of the memoir, which reproduced 300 to 400 words of the passage contracted to the 'Time' Magazine. The article in 'Nation' appeared before the article in Times and the latter refused to pay up the balance money to Harper. Harper brought an action for infringement of copyright, and 'Nation' put up a fair use defence. The Court noted that the four factors identified by Congress (17 U. S. C. 107) as especially relevant in determining whether the use was fair were: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the substantiality of the portion used in relation to the copyrighted work as a whole; (4) the effect on the potential market for or value of the copyrighted work and proceeded to test the facts on each of these grounds. In its analysis, the Court applied much emphasis on the commercial character of the defendant's use and its implication on the potential market of the copyrighted work. While doing so it recalled the observations made in *Sony Corp. of America v. Universal City Studios, Inc.*, 464 US 417 (1984), that 'every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright'. The Court, while fortifying the commercial-non-commercial divide, held that the fourth factor was the single most important factor while determining fair use. It is however, important to note the dissenting opinion of Justice Brennan in this regard. He regarded the majority opinion as conferring monopoly on historical facts and not merely on the exception. He cautioned that this approach would prove counter-productive to the very end of granting copyright protection and observed that:

"In my judgment, the Court's fair use analysis has fallen to the temptation to find copyright violation based on a minimal use of literary form in order to provide compensation for the appropriation of information from a work of history. The failure to distinguish between information and literary form permeates every aspect of the Court's fair use analysis, and leads the Court to the wrong result in this case. Application of the statutorily prescribed analysis with attention to the distinction between information and literary form leads to a straightforward finding of fair use."

The contours of the fair use standard shifted somewhat with the decision in *Campbell v. Accuff- Rose Music*, 510 US 569 (1994). The Supreme Court unanimously upheld the claim of the defendants that their parody to the plaintiff's song 'Oh, Pretty Woman' was covered by the fair use exception. It was uncontested that the defendant's song amounted infringement but for the 'fair use' exception. The Court held that all the traditional four factors employed to reach a conclusion of fair use are to be treated together, not in isolation and no undue preference can be given to any one of them. In relation to the first factor, it was held that Court must look into the nature of the use, i.e. whether it was for educational purposes or for review or criticism. The central enquiry (according to the Court) is to see if the work merely supersedes and supplants the original work or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; in other words, whether and to what extent the new work is 'transformative'. The Court borrowed the latter expression from Judge Pierre Leval (supra). Transformative works, the Court held, have a

greater chance of falling within the fair use defence and such 'works' thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright. If one may put it differently, the question to be addressed would be is there a value addition, which alters the original work in a not insignificant measure. The second factor, which evaluates the nature of the copyrighted work, is intended to find out if the work actually merits copyright, that is, whether copyright law was intended, at its core, to cover such works. However, the Court cautioned that this factor is not likely to help much in separating the fair use sheep from the infringing goats, in cases where the subsequent work is transformative. The third factor, which deals with the extent of copying, the Court explained citing Sony (*supra*), does not entail that the reproduction of the entire work would militate against the finding of fair use. There could be cases where the copying could be substantial and the courts finds fair use, at the same time there could be cases where the copying though insubstantial could be held as infringement. Lastly, the court observed that the fourth factor, where the market harm to the copyrighted work had to be assessed, could not be the sole determinative factor. The Courts have to "consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market". The Court went on to hold that the defendants use, was covered by the doctrine of fair use and did not amount to infringement.

The Court's holding in Campbell, has been followed in *Sun Trust Bank v. Houghton Mifflin*, 268 F.3d 1257 (11th Cir.2001) (vacating the injunction on 'The Wind Done Gone' a fictional work based on Margaret Mitchell's *Gone With the Wind*); *Bill Graham Archives v. Dorling Kindersley*, 2006 US App LEXIS 11593 (holding that reproduction of images appearing in posters and tickets, in a coffee table biography fall within the fair use exception) and very recently in *Peter Letterese and Associates v. World Institute of Scientology Enterprises*, D.C. Docket No. 04-61178-CV-PCH (July 8, 2008).

In the United Kingdom, in *Hubbard v. Vosper*, (1972) 2 WLR 389, the Court while dealing with the question of what amounts to fair use observed as follows:

"It is impossible to define what is 'fair dealing'. It must be a question of degree. You must consider first the number and extent of the quotations and extracts. Are they altogether too many and too long to be fair? Then you must consider the use made of them. If they are used as a basis for comment, criticism or review, that may be a fair dealing. If they are used to convey the same information as the author, for a rival purpose, that may be unfair. Next, you must consider the proportions.

To take long extracts and attach short comments may be unfair. But, short extracts and long comments may be fair. Other considerations may come to mind also. But, after all is said and done, it must be a matter of impression. As with fair comment in the law of libel, so with fair dealing in the law of copyright. The tribunal of fact must decide."

The above extracts explain the evolution of fair use doctrine in the US and UK. It must be remembered that there is difference between fair use and fair dealing. The Indian law like the UK law is following the 'fair dealing' doctrine.

Import of one copy of any work for the private and domestic use of the importer will not attract infringement action, even if the copy is an infringing one.

The criteria to decide whether a particular copy is an infringing copy in the case of sound recording will be the same as for other works, that is substantial reproduction.

Publishing a sound recording without the information about the owner, publisher and other prescribed details is also a criminal offence.

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## 13.10 CIVIL REMEDIES

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The Copyright Act provides the same remedies to the owner of copyright in sound recording as it offers to other right holders. Civil remedies are given in Sections 54 to 62 of the Act. Broadly the civil remedies are the following:

- injunction
- damages
- account of profit

Injunction is defined in a case law as “a judicial process by which one who is threatening to invade or has invaded the legal or equitable rights of another is restrained from commencing or continuing such act or is commanded to restore matters to the position in which they stood previous to the action.”

There is interlocutory injunction and permanent injunction. Interlocutory injunction is issued during a trial to maintain the status quo or preserve the subject matter of the litigation until the trial is over. Permanent injunction is generally issued at the end of the trial.

In the case of *Gramophone Company of India v. Shanti Films Corporation* [AIR 1997 Cal 63], the court stated the general principles that should guide the grant of such injunctions.

In a suit for permanent injunction while the Court is considering an interlocutory application, the Court is not called upon to decide the real disputes between the parties. The Court is called upon to see whether the party who has approached the Court has a plausible case and whether there is a possibility of such case succeeding at the trial. If that test is satisfied then it is the duty of the Court to see whether the damages the plaintiff is likely to suffer for the action of the defendants complained of can be compensated in money and if so whether there is a standard for ascertaining such compensation. If such compensation can be ascertained and afforded in money then the interlocutory order of injunction should normally be refused. But if, on the other hand, the Court is of the view that such compensation cannot be ascertained and afforded in money then it is the duty of the Court to see the balance of convenience and inconvenience of the parties. If the balance “of convenience is in favour of grant then the Court shall normally issue an interlocutory order of injunction upon undertaking of the plaintiff to compensate the defendant against whom the order of injunction is passed if at the trial it is held that the plaintiff is not entitled to such permanent injunction. On the other hand, if it is found that the balance of convenience is against passing of such order, the Court will normally refuse to pass interlocutory injunction. The aforesaid are broadly the principles on which the Court acts while exercising

discretion in deciding an interlocutory, application for temporary injunction made in a suit for permanent injunction. I think, it is also the duty of the Court to preserve the status quo as far as practicable, while dealing with such a matter.

Another remedy available to the owner of copyright is to claim damages for the loss incurred by him because of the infringing activity by the other party. Generally, damages are calculated by the actual pecuniary loss sustained. The damages being awarded are expected to be fair and reasonable. In calculating the quantum, the courts look into various aspects such as the circumstances of the infringement, any loss which the plaintiff may have suffered, the loss of profit which he might have made but for the infringement and so on.

Account of profit is claiming a share in the profits that the infringer has made. Sometimes it could be the whole profits that he might have made. The issue gets complicated when the infringing sound recording contains other works also along with some or all the works that the original sound recording contained.

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### **13.11 OFFENCES AND PENALTIES**

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The offences and penalties in case of infringement involving sound recordings are the same as for other works. The offences broadly fall into the following categories:

- a) Infringement of a copyright in a sound recording
- b) Infringement of any other right granted by the Copyright Act, 1957
- c) Abetment of any of the above offences.

Copyright in a sound recording is infringed when any one makes any other sound recording embodying it, or sells or gives on hire, or offers 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;, and when communicates the sound recording to the public.

Infringement of other rights in the Copyright Act include the following:

- i) Permitting 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 sound recording, unless the person permitting was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright;
- ii) Making for sale or hire, or selling or letting for hire, or by way of trade displaying or offering for sale or hire any infringing copies of a sound recording
- iii) Distributing either for the purpose of trade or to such an extent copies of the infringing sound recording as to affect prejudicially the owner of the copyright in the sound recording
- iv) By way of trade exhibiting in public any infringing copies of a sound record
- v) Importing into India any infringing copies of a sound record.

Another punishable offence is publishing of a sound recording in contravention of the provisions of Section 52A. That Section requires that every sound recording

should display the following particulars on the sound recording and on the container of the sound recording:

- a) the name and address of the person who has made the sound recording
- b) the name and address of the owner of the copyright in the work, and
- c) the year of its first publication.

The penalties range from imprisonment for six months to three years and fine extending from Rs. 50,000 to Rs. 200,000. There are mandatory penalties. For the first offence the mandatory minimum is imprisonment of six months and fine of Rs. 50,000 and for second and subsequent offence the mandatory minimum is imprisonment for one year and fine of Rs. one lakh.

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### 13.12 SUMMARY

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In this Unit we have seen the history and development of international protection for phonograms and the provisions in the Indian Copyright Act, 1957 regarding protection of sound recordings.

We found that like in the case of copyrights, the development of related rights also is in response to the challenges posed by technology. The emergence in the second half of nineteenth of sound recording technologies and their further development later led to the creation of rights for sound recordings. This, of course, faced a major problem as to the definition of author. The sound recordings are mechanical or electrical or electronic devices which reproduce literary or artistic works and not original works. Most of such works are owned by corporate firms.

The first major treaty to provide protection for sound recordings is the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations Rome Convention done at Rome in 1961. It is also known as the Rome Convention. The agreement extended copyright like protection for the first time from the author of a work to the creators and owners of particular, physical manifestations of intellectual property, such as audiocassettes. The Convention was a response to new technologies like tape recorders that made the reproduction of sounds easier and cheaper than ever before. As per the Convention, producers of phonograms are to enjoy the right to authorise or prohibit the direct or indirect reproduction of their phonograms. Phonograms are defined in the Rome Convention as meaning any exclusively aural fixation of sounds of a performance or of other sounds. When a phonogram published for commercial purposes gives rise to secondary uses (such as broadcasting or communication to the public in any form), a single equitable remuneration must be paid by the user to the producers of phonogram. It prescribed the period of protection as twenty years.

The Rome Convention was followed by the International Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of Their Phonograms in 1971 and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) in 1994. In 1996, the WIPO Performances and Phonograms Treaty extended almost all copyrights to phonograms.

In India, the Copyright Act, 1957 treated sound recordings on par with other copyrighted works and provided almost identical rights and remedies.

As per the Act, a 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. In order to enjoy copyrights, the sound recording should not contain infringing material.

Producers of sound recording are the authors of the sound recordings. The rights in the case of a sound recording are:

- a) The right to make any other sound recording embodying it
- b) The right to sell or give on hire, or offer for sale or hire, any copy of the sound recording regardless of whether such copy had been sold or given on hire on earlier occasions
- c) The right to communicate the sound recording to the public.

Sound recordings along with cinematograph films and computer programmes enjoy what is commonly referred to as rental rights.

The term of copyright in a sound recording is until sixty years from the beginning of the calendar year next following the year in which the sound recording is published.

Like other copyright works, no formalities are required for getting protection for sound recording. However, while publishing a sound recording the following particulars are required to be displayed on the sound recording and on any container thereof:

- a) The name and address of the person who has made the sound recording
- b) The name and address of the owner of the copyright in the work
- c) The year of its first publication.

The rights are exploited either directly by the owners or through licences, just like copyrights in other works. Assignments and licences are the ways of using the rights. Registered copyright societies are allowed to administer rights in sound recordings, apart from the owners themselves.

In the case of sound recordings also, Copyright Board has the power to issue compulsory licence in certain cases. Section 31, of the Copyright Act provides that if at any time during the term of the copyright in any Indian work, which has been published or performed in public, a complaint is made to the Copyright Board that the owner of the copyright in the work has refused to republish or allow re-publication of the work and by reason of such refusal has withheld the work from the public or has refused to allow communication to the public by broadcast of the work or in the case of sound recording the work recorded in such sound recording, on terms which the complainant considers reasonable, the Copyright Board, after giving to the owner of copyright a reasonable opportunity for being heard and after holding necessary inquiry, can direct the Registrar of Copyright to issue the compulsory licence.

There are no fair dealing provisions for sound recordings. Version recording is one of the permitted acts with reference to sound recordings. A version recording is a sound recording made of an already published song by using another voice or voices and with different musicians and arrangers. It is not copying of the original recording.

Provisions regarding infringement, civil remedies, criminal offences and penalties, are by and large common for sound recordings and other works.

As per the Copyright Act the following acts will be infringement:

- a) Doing anything which is the exclusive right of the producer of the sound recording without his consent or in contravention of the conditions of the licence
- b) Permits for profit any place to be used for the communication of the sound recording to the public where such communication constitutes an infringement of the copyright, unless the person doing so is not aware and had no reasonable ground for believing that such communication to the public would be an infringement
- c) Making for sale or hire or selling or hiring out or by way of trade displaying or offering for sale or hire infringing copies of the sound recording
- d) Distributing either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright any infringing copies
- e) Exhibiting in public by way of trade exhibits any infringing copy
- f) Importing into India infringing copies of the sound recording
- g) Publishing a sound recording without the information about the owner, publisher and other prescribed details.

Civil remedies include injunction, damages and accounts of profit.

Infringements of copyright and violation of other rights provided in the Act are criminal offences. The penalties prescribed for offence are imprisonment ranging from 6 months to three years and fine extending from Rs. 50,000 to Rs. 200,000.

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### **13.13 TERMINAL QUESTIONS**

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- 1) What are the major provisions of the Rome Convention?
- 2) What are the rights provided in the Copyright Act for sound recording producers?
- 3) What all acts can be an infringement in case of a sound recording?
- 4) What are the civil remedies provided in the Copyright Act for infringement of rights in a sound recording?
- 5) Write a paragraph on offences and penalties with reference to sound recordings.

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## 13.14 ANSWERS AND HINTS

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### Self Assessment Questions

- 1) Refer to Section 13.1
- 2) Refer to Section 13.1
- 3) Refer to Section 13.1
- 4) Refer to Section 13.1
- 5) Refer to Section 13.3
- 6) Refer to Section 13.4
- 7) Refer to Section 13.5
- 8) Refer to Section 13.5
- 9) Refer to Section 13.5
- 10) Refer to Section 13.6
- 11) Refer to Section 13.6
- 12) Refer to Section 13.7
- 13) Refer to Section 13.7
- 14) Refer to Section 13.7
- 15) Refer to Section 13.7
- 16) Refer to Section 13.8

### Terminal Questions

- 1) Refer to Section 13.1
- 2) Refer to Section 13.5
- 3) Refer to Section 13.9
- 4) Refer to Section 13.10
- 5) Refer to Section 13.11

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## 13.15 REFERENCES AND SUGGESTED READINGS

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- 1) International Copyright and Neighbouring Rights by S. M. Stewart.
- 2) Principles of Intellectual Property by N.S. Gopalakrishnan and T.G. Agitha.
- 3) Copyright and Industrial Designs by P. Narayanan.
- 4) Copinger and Skone James on Copyright.
- 5) Lal's Commentary on Copyright Act.
- 6) Iyengar's The Copyright Act, 1957.

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# UNIT 14 RIGHTS OF BROADCASTING ORGANISATIONS

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## Structure

- 14.1 Introduction
  - 14.2 Objectives
  - 14.3 Definition of Broadcast
  - 14.4 Rights of Broadcasting Organisations
  - 14.5 Duration of Protection
  - 14.6 Administration of Broadcast Reproduction Rights
  - 14.7 Exceptions and Limitations
  - 14.8 Infringement and Remedies
  - 14.9 Summary
  - 14.10 Terminal Questions
  - 14.11 Answers and Hints
  - 14.12 References and Suggested Readings
- Annexure

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## 14.1 INTRODUCTION

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Broadcast reproduction right is one of the related rights in the international intellectual property law. The other two recognised related rights are rights on phonograms or sound recordings and performers' rights.

The rights of broadcasting organisations are recognised because of their role in making works available to the public in a much wider way than in other media and also because of their legitimate interest in controlling the transmission and retransmission of their broadcasts so that they can get the economic reward for their investments.

The entry of broadcasting organisations into the realm of intellectual property rights has been rather slow compared to other right holders. There were many reasons for the same. For one, most of the broadcasting organisations in the early times were in the public sector and even those in the private sector were under lots of government regulations. Therefore, these issues tended to be sorted out through public international law or through diplomatic channels. For another, their initial entry was as users. The 1928 revision of the Berne Convention (the Rome Act) established the broadcasting right of copyright owners resulting in the requirement of broadcasting organisations taking consent of the copyright owners to broadcast works in which copyright subsists. Later, in the Brussels Revision of the Berne Convention, the broadcasters were able to get the concession of compulsory licensing but as users of copyright works.

Slowly, with the emergence of new technologies and business models the situation changed. Advent of television, satellite broadcasting, cable networks, FM radios and so on required protection for broadcasting organisations also on par with producers of phonograms.

It was the **International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome Convention)** of 1961 that first responded positively to the requirements of broadcasting organisations also as in the case of performers and producers of sound recordings.

Article 13 of the Rome Convention talks about minimum rights for broadcasting organisations. The Convention provides that broadcasting organisation shall enjoy the right to authorise or prohibit

- a) The rebroadcasting of their broadcasts;
- b) The fixation of their broadcasts;
- c) The reproduction:
  - i) of fixations, made without their consent, of their broadcasts;
  - ii) of fixations, made in accordance with the provisions of Article 15, of their broadcasts, if the reproduction is made for purposes different from those referred to in those provisions;
- d) The communication to the public of their television broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

Broadcasting was defined in the Rome Convention as the transmission by wireless means for public reception of sounds or of images and sounds. By rebroadcasting is meant the simultaneous broadcasting by one broadcasting organisation of the broadcast of another broadcasting organisation.

Certain permitted exceptions were provided in Article 15 such as for private use, use of short excerpts in connection with reporting of current events, ephemeral fixation by a broadcasting organisation by means of its own facilities for its own broadcasts and use solely for the purposes of teaching or scientific research.

The duration of protection provided is minimum twenty years from the year of broadcast.

One major lacuna in the Rome Convention was that it did not cover cable casting because of the definition of broadcasting which did not include transmission by wire.

The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) of 1994 provided that broadcasting organisation shall have the right to prohibit the following acts when undertaken without their authorisation:

- a) The fixation
- b) The reproduction of fixations, and
- c) The rebroadcasting by wireless means of broadcasts
- d) Communication to the public of television broadcasts

The period of protection that the TRIPS Agreement provided for rights of broadcasting organisations was twenty years from the year of broadcast. Essentially, the TRIPS Agreement did not make much progress in the matter of rights of broadcasting organisations over the Rome Convention.

any work or there is infringement of any other right conferred by the Act, as contemplated by Section 62(1), he can institute a suit, not only in the district court having jurisdiction, but also a Court which has jurisdiction over the place where the plaintiff is residing or is carrying on business or is personally working for gain.

This means that the plaintiff has many options in regard to the court where he can file, although it has to be a District Court. This option, however, is not available in the case of enforcement of author's special rights since it is not an infringement of copyright. In that case, the court of jurisdiction is the district court of the action place.

Also, alleged acts of infringement under the Copyright Act, 1957, but done outside India, cannot be brought before any district court in India.

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## 10.5 SCOPE OF CIVIL REMEDIES

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Section 55 of the Copyright Act says that where copyright in any work has been infringed, the owner of the copyright shall be entitled to all such remedies by way of injunction, damages, and accounts and otherwise as may be conferred by law for the infringement of a right.

An injunction is an order stopping the infringement act. Damages are monetary claims. Account of profit means the profit that the defendant wrongly appropriated by sale of infringing copies.

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## 10.6 INNOCENT INFRINGEMENT

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Proviso to Section 55 states that if the defendant proves that at the date of the infringement he was not aware and had no reasonable ground for believing that copyright subsisted in the work, the plaintiff shall not be entitled to any remedy other than an injunction in respect of the infringement and a decree for the whole or part of the profits made by the defendant by the sale of the infringing copies as the court may in the circumstances deem reasonable.

Effectively, this denies the right of damages only. Other remedies are available to the copyright owner.

The onus of proving that he was not aware and he had no reasonable ground for believing that copyright subsisted in the work is on the defendant. Some circumstances could be reasonable grounds to believe that

- a) The period of copyright protection in the work had expired
- b) The work was of a character which could be the subject of copyright
- c) The work was a foreign work in which no copyright subsisted in India.

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## 10.7 INJUNCTION

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Perhaps, the strongest remedy for copyright infringement is an injunction. Injunction is "a judicial process by which one who is threatening to invade or has invaded the legal or equitable rights of another, is restrained from commencing or continuing such act, or is commanded to restore matters to the position in which they stood previous to the action." (Know Your Copyright by G.D.Khosla)

An injunction may be an interlocutory one or a permanent, i.e. final one. An interlocutory injunction means that it is granted prior to the trial. This is issued where the continuing activity of the alleged infringer will bring more damage to the copyright owner. It can be the other way also. That is to say, the legitimate interests of the defendant can also be affected. Therefore, interlocutory injunctions are issued after careful consideration by the courts. In any case, the plaintiff must first establish the existence of the copyright and also that he is the owner of that right as far as the civil suit matter is concerned. The effect of an interlocutory injunction is that the defendant will not be able to proceed further in the business such as the publication, if not already published, and distribution of copies, in case already published, and sale of unsold copies. The courts also look into the aspect of balance of convenience. In order to get an interlocutory order, the plaintiff must prove to the satisfaction of the court that the balance of convenience lies in his favour. He must prove that refusal to grant interlocutory injunction will cause irreparable injury to him.

Interlocutory injunction will not be issued if the interests of the plaintiff can be protected by other orders such as ordering the defendant to keep an account of profits separately for the alleged infringing works. It is also refused where the defendants establish bona fide fair dealing. Other circumstances in which such orders are refused are undue delay in approaching the court, suspicious conduct of the plaintiff and where there is a serious doubt about his succeeding in the suit.

*Copinger and Skone James on Copyright* summarises, the principles followed in regard to grant of interlocutory orders by British courts by quoting from the judgement of Ralph Gibson L.J in the judgement in *Brink's Mat Ltd. v. Elcombe* (1988):

- 1) The applicant is under a duty to make full and fair disclosure of all the material facts.
- 2) The material facts are those which are material for the judge to know in dealing with the application made. The decision on materiality is one for the court and not for the applicant or his legal advisers.
- 3) The applicant must make proper inquiries before the application. The duty of disclosure extends to facts which the applicant would have known if he had made proper inquiries.
- 4) The extent of inquiries which are proper and necessary depends on all the circumstances of the case. Relevant factors include the nature of the case, the nature of the order for which the application is made and the probable effect of the order on the defendant, the degree of legitimate urgency and the time available for making inquiries.
- 5) If non-disclosure is established the court will ensure that the plaintiff who obtains an order without full disclosure is deprived of any advantages that he may have obtained by breach of his duty.
- 6) Whether the fact which has not been disclosed is of sufficient materiality to justify or require immediate discharge of the order without examination of the merits depends on the importance of the fact to the issues which were to be decided by the judge on the application. The innocence of the non-disclosure is an important but not decisive consideration.

- 7) The injunction will not be discharged for every omission. The court has discretion and may continue the order even after there has been proof of a material non-disclosure which justifies or requires the immediate discharge of the *ex parte* order.

It is also instructive to read the following paragraph from *Halsbury's Laws of England* with regard to grant or refusal of injunction:

“An interlocutory injunction will not, however, be granted where the defendant might suffer irreparable injury from an injunction restraining him from publishing pending the trial and the plaintiff can be properly protected by the defendant being ordered to keep an account, nor will it normally be granted where a bona fide defence of fair dealing has been pleaded, or if the plaintiff has been guilty of undue delay in coming to the court or his conduct has amounted to acquiescence in the infringement or if there is any substantial doubt as to the plaintiff's right to succeed. It has been held that in considering whether to grant an interlocutory injunction the judge must look at the whole case and that the remedy by interlocutory injunction must not be made the subject of strict rules.”

In many instances, with a temporary injunction, the copyright infringement stops. Permanent Injunction is generally granted after the completion of the trial and where the infringement is fully established. This is to guarantee against any future violation of the copyright by the infringer. In certain cases this may become a problem. For example, where the whole work is not pirated but only parts of it. In such cases the effect of permanent injunction on the work also needs to be considered. Balance of convenience is generally the guiding principle. At the same time the rights of the copyright owner are to be protected and he is to be adequately compensated for any loss suffered by him on account of the infringement.

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## 10.8 ANTON PILLER ORDER

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This comes out of the judgement in the UK case *Anton Piller KG v. Manufacturing Processes Ltd and Ors.* [1975]. The issue was fear of destruction of evidence of wrong doing by the defendant where he comes to know of the plaintiff's plea for a search and seizure order. In the afore mentioned case, the court said that “in most exceptional circumstances, where plaintiff's had a very strong prima facie case, actual or potential damage to them was very serious and there was clear evidence that the defendants possessed vital material which they might destroy or dispose of so as to defeat the ends of justice before any application *inter partes* could be made, the court had inherent jurisdiction to order defendants to “permit” plaintiff's representatives to enter defendant's premises to inspect and remove such material; and that in the very exceptional circumstances the court was justified in making the order sought on the plaintiff's *ex parte* application.”

Indian courts have also followed this principle in the matter of appointment of local commissioners.

In *Bucyrus Europe Ltd. v. Vulcan Industries Engineering Co (P) Ltd.* [(2005) 30 PTC 279 (Cal)] the court after perusing the ratio in Anton Piller found that such an order can be passed in the following situations :

- i) where the plaintiff has an extremely strong prima facie case,
- ii) where the actual or potential damage to the plaintiff is very serious, and
- iii) where it was clear that the defendant possessed vital evidence,
- iv) there was a real possibility that the defendant might destroy or dispose of such material so as to defeat the ends of justice,
- v) the purpose of Anton Filler order is the preservation of evidence.

It also suggested safeguards like asking the plaintiff to give an undertaking in damages in case the plaintiff is wrong and the defendant suffers damages as a result of the execution of the order. However, before the Court will grant an Anton Filler order, the plaintiff must be able to convince the Court that he has a strong case and that the order is indeed essential to the ends of justice.

In *Autodesk Inc and Anr v. A.V.T. Shankardass and Anr* [2008 (37) PTC 581 (Del)], Autodesk appealed against the order of the single bench dismissing their prayer for the appointment of a Local commissioner. The Division Bench held that in an action of infringement of software piracy, the element of surprise was of critical importance and necessary. Issuance of notice would result in effacement of entire incriminating evidence. The court also laid down the following guidelines in this regard:

- i) The object of appointment of a Local Commissioner in software piracy matters is not, as much to collect evidence but to preserve and protect the infringing evidence. The pirated software or incriminating evidence can only be obtained from the premises of the opposite party alone and in the absence of an ex parte appointment of a Local Commissioner there is likelihood that such evidence may be lost, removed or destroyed;
- ii) Request for ex parte appointment of a Local Commissioner in such matters is usual and in fact is intended to sub serve the ends of justice as it is imperative to have an element of surprise so that the actual position is not altered;
- iii) The test of reasonable and credible information regarding the existence of pirated software or incriminating evidence should not be subjected to strict proof or the requirement to demonstrate or produce part of the pirated software/incriminating evidence at the initial stage itself. It has to be tested on the touchstone of pragmatism and the natural and normal course of conduct and practice in trade.
- iv) It may not always be possible for a plaintiff to obtain any admission by employing decoy customers and gaining access to the defendants premises. Any such attempt also inheres in it the possibility of disappearance of the pirated software/incriminating evidence in case the decoy customers is exposed. Accordingly, visit by decoy customer or investigator is not to be insisted upon as pre condition. A report of private Investigator need not be disregarded or rejected simply because of his engagement by the plaintiff. The information provided by the private Investigator should receive objective evaluation.
- v) In cases where certain and definite information with regard to the existence of pirated software or incriminating evidence is not available or where the Court may nurture some element of doubt, it may consider asking the plaintiff

to deposit cost in Court so that in case pirated software or incriminating evidence is not found then the defendant can be suitably compensated for the obtrusion in his work or privacy.

The courts however are very cautious in issuing such orders. The plaintiff has to make a full description all efforts he made to collect evidence and that the evidence available strongly indicates the possibility of infringement in the defendant's premises.

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## 10.9 DAMAGES AND ACCOUNTS OF PROFIT

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Damages are to compensate the copyright owner for the loss incurred by him on account of the infringement of his rights by another. Calculation of damages depends on various factors such as the loss suffered by the copyright owner, the profits earned by the infringer, the harm caused to the copyright owner by the competition of the infringer, and the impairment of the sale value of the copyright owner's work caused by the infringer's work.

Accounts of profit are recovery of the profits made by the infringer by sale of the pirated work. In this case, it does not matter if the plaintiff would not have made the same amount of profits by himself exploiting the copyright. A plaintiff can claim either damages or accounts of profit, but not both. In the case of *Pillalamarri Lakshmikantam v. Ramakrishna Pictures* [AIR 1981 AP 224], this issue had come up and the court held that since the plaintiff has been awarded damages, he is not entitled to an account of profits. In the case of claim for account of profits, the plaintiffs are allowed to inspect the books of accounts.

In order to succeed in a suit for damages the plaintiff must establish that the defendant has committed a wrong which has resulted in the infringement of his right and that he has suffered damages on account of that. He must also submit the estimate of the amount of damage.

Damages could vary depend on the type of infringement such as reproduction of a whole work, reproduction of a whole work along with other matter, reproduction of a substantial part of a work, and reproductions of parts from compilations . The award of damages will depend on the seriousness of the type of infringement, the loss suffered by the copyright owner and/or the profit made by the infringer. It is also possible that the pirate may not have made any profit but caused damage to the plaintiff. In that case also damages could be awarded.

Mostly in cases of conversion, adaptation, public performance, and translation the damages are generally the profits made by the infringer.

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## 10.10 PUNITIVE DAMAGES

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Indian courts are now awarding punitive damages also in cases of copyright and other intellectual property right infringement cases. The trend of awarding punitive damages started with the *Time Incorporated v. Lokesh Srivastava and Anr* [2006 131 CompCas 198 Delhi] (2005) DLT 599]. In that case, the court explained the need and rationale for awarding punitive damages.

A distinction has to be drawn between compensatory damages and punitive damages. The award of compensatory damages to a plaintiff is aimed at

compensating him for the loss suffered by him whereas punitive damages are aimed at deterring a wrong doer and the like minded from indulging in such unlawful activities. Whenever an action has criminal propensity also the punitive damages are clearly called for so that the tendency to violate the laws and infringe the rights of others with a view to make money is curbed. The punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases, these must be awarded to give a signal to the wrong doers that law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the list but suffer on account of the breach. In the case in hand itself, it is not only the plaintiff, who has suffered on account of the infringement of its trademark and Magazine design but a large number of readers of the defendants' Magazine 'TIME ASIA SANSKARAN' also have suffered by purchasing the defendants' Magazines under an impression that the same are from the reputed publishing house of the plaintiff company. This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trademarks, copy rights, patents, etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who indulge in violations with impunity out of lust for money so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them.

In *Mathias v. Accor Economy Lodging, Inc.* reported in 347 F.3d 672 (7th Cir. 2003) the factors underlying the grant of punitive damages were discussed and it was observed that one function of punitive damages is to relieve the pressure on an overloaded system of criminal justice by providing a civil alternative to criminal prosecution of minor crimes. It was further observed that the award of punitive damages serves the additional purpose of limiting the defendant's ability to profit from its fraud by escaping detection and prosecution. If an offender is caught only half the time he commits torts, then when he is caught he should be punished twice as heavily in order to make up for the times he gets away. This Court feels that this approach is necessitated further for the reason that it is very difficult for a plaintiff to give proof of actual damages suffered by him as the defendants who indulge in such activities never maintain proper accounts of their transactions since they know that the same are objectionable and unlawful. In the present case, the claim of punitive damages is of Rs. 5 lakh only which can be safely awarded. Had it been higher even, this court would not have hesitated in awarding the same. This Court is of the view that the punitive damages should be really punitive and not flee bite and quantum thereof should depend upon the flagrancy of infringement.

This approach was reiterated in *Hero Honda Motors Ltd. v. Shree Assuramji Scooters*, [2006 (32) PTC 117 (Del)], *Microsoft Corporation v. Deepak Raval* [MIPR 2007 (1) 72], *Larsen and Toubro Ltd. v. Chagan Bhai Patel* [MIPR 2009 (1) 194], and *Autodesk & Anr. V. Prashant Deshmukh and Ors.* (March 2011), all of which favoured the awarding of punitive damages for dissuading the infringers, even if the infringers decided not to appear in the suit proceeding and oppose the plaintiffs' pleas. The courts have taken the view that given the energy and resources spent by right-holders in infringement litigation, failure to award punitive damages would only foment encouragement for actions such as infringement and passing off.

## 10.11 AUTHOR'S SPECIAL RIGHTS AND CIVIL REMEDIES

It is interesting to note that the special rights of authors or moral rights, as per the term commonly used internationally, find place within the chapter on civil remedies in the Copyright Act. As per the Section 57 of the Copyright Act, these rights are independent of the author's copyright. That is they remain separate and are not bound by the terms and conditions of copyright. Secondly, the author will have these special rights even after assignment of the copyright. It does not matter whether the assignment is for the whole of copyright or for certain rights included in the copyrights. Effectively, it means the special rights of the author remain with him and are different from copyrights. They cannot be assigned away.

The two rights which are part of the special rights of the author are

- a) right to claim authorship of the work, and
- b) right to restrain or claim damages in respect of any distortion, mutilation, modification or other act in relation to the work authored by him.

The remedies for distortion, mutilation or modification or other such acts are provided within the section itself. That is, he can restrain another person from doing any of those acts, and, if already done, he can claim damages for the same.

Author includes, in addition to authors of literary and dramatic works, composers of music, artists, photographers and producers of cinematograph films and sound recordings. The term also includes persons who cause creation of computer generated works.

There are two interesting cases on the author's special rights in India. In both the cases the authors sought civil remedies against distortion of their works or damage to their name and reputation. The first one is the case of *Manu Bhandari v. Kala Vikas Pictures (P) Ltd.* [AIR 1987 Delhi 13, ILR 1986 Delhi 191]. This was a case of cinematographic adaptation of Manu Bhandari's novel *Aap Ka Bunty*. The film was given the title 'Samay Ki Dhara'. The author alleged that the producer of the cinematograph film had distorted, mutilated and modified her work.

The court considered the issue as one of conflict between the rights of the author and that of the director of the film. The scope and width of Section 57 also came into play. The court looked into the issue from a wider perspective of culture.

The hallmark of any culture is excellence of arts and literature. Quality of creative genius of artists and authors determine the maturity and vitality of any culture. Art needs healthy environment and adequate protection. The protection which law offers is thus not the protection of the artist or author alone. Enrichment of culture is of vital interest to each society. Law protects this social interest. Section 57 of the Copyright Act is one such example of legal protection. Section 57 lifts authors' status beyond the material gains of copyright and gives it a special status.

Section 57 falls in Chapter Xii of the Act concerning civil remedies. Section 55 provides for certain remedies where there is infringement of copyright. Section 56 provides for protection of separate rights comprising the copyright in any

work. Then comes Section 57, providing for authors' special rights, and the remedies for violation of those rights. This is a statutory recognition of the intellectual property of the author and special care with which the intellectual property is protected. Under Section 57 the author shall have a right to claim the authorship of the work. He has also a right to restrain the infringement or to claim damages for the infringement. These rights are independent of author's, copyright and the remedies open to the author under Section 55. In other words Section 57 confers additional rights on the author of a literary work as compared to the owner of a general copyright. The special protection of the intellectual property is emphasised by the fact that the remedies of a restraint order or damages can be claimed "even after the assignment either wholly or partially of the said copyright". Section 57 thus clearly over-rides the terms of the Contract of assignment of the copyright. To put it differently, the contract of assignment would be read subject to the provisions of Section 57 and the terms of contract cannot negate the special rights and remedies guaranteed by Section 57. The Contract of Assignment will have to be so construed as to be consistent with Section 57. The assignee of a copyright cannot claim any rights or immunities based on the contract which are inconsistent with the provisions of Section 57.

What is the substance of the protection of special rights guaranteed by Section 57, Sub-Clause (a) of Clause (1) of the Section prohibits any distortion or mutilation of the author's work. The words "other modification" appearing in the sub-clause (a) will have to be read *ejusdem generis* with the words "distortion" and "mutilation". The modification should not be so serious that the modified form of the work look quite different work from the original. "Modification" in the sense of the perversion of the original, may amount to distortion or mutilation. But, there can be, a modification simplicitor such as where 'A' is changed to 'B', both being quite, distinct. Sub-clause (a) thus provides inviolability to an intellectual work. Sub-clause (b) provides for remedies for protection of honour and reputation of the author. The bundle of rights and remedies provided by Section 57 is in tune with the modern development in law relating to protection of intellectual property of the author and the international agreements and treaties in that regard. The learned Judge is not right in saying that because the modifications are permissible under the Contract of Assignment the Plaintiff had failed to prove the breach of Section 57.

**After looking into the terms of the contract, the court observed:**

Reading the contract with Section 57 it is obvious that modifications which are permissible are such modifications which do not convert the film into an entirely new version from the original novel. They said 'certain modifications' should also not distort or mutilate the original novel. The novel will include the main theme, the situations and the main characters of the novel. The fact that Mannu Bhandari is the author of the story is to be published in all the credits. This is for giving due recognition to the reputation of the author. The word "credits" in the parlance of show business means recognition of credit-worthy actions of all those who have participated in making the show business a success. As a show business or as a box office collection, a film may be a success, but, it may do not credit to the reputation or the honour of the author. That is why Section 57 insists on the special protection to honour and reputation of the author. The contract requires that 'proper' publicity should be given. The word 'proper' has to be interpreted in contradiction to 'notoriety' or 'bad name', causing harm to the honour and reputation of the author.

### The judge reiterated the special nature of the author's special rights:

Section 57 is a special provision for the protection of the special rights of the authors. The object of the Section is to put the intellectual property on a higher footing than the normal objects of copyright. The language of Section 57 is of widest amplitude. It cannot be restricted to literary expression only. Visual and audio manifestations are directly covered.

The Mannu Bhandari case clearly proved that the rights given by Section 57 are with the author even after assignment and he can exercise the same. It also established the justiciability of the same.

The second case where this came up front was the *Amarnath Sehgal v. Union of India* [117 (2005) DLT 717, 2005 (30) PTC 253 Del]. Unlike the Mannu Bhandari which really got settled between the parties, this case went all the way to the award of damages through a civil suit. It is also interesting since this case considered certain modifications made to the original Section 57, ie, the addition of the words "prejudicial to his honour or reputation".

The court said, "Moral rights of the author are the soul of his works. The author has a right to preserve, protect and nurture his creations through his moral rights." It then went into interpretation of Section 57.

As originally enacted, Section 57 of the Copyright Act, 1957 was very widely worded because of the fact that the words "would be prejudicial to his honour or reputation" which found mention in sub Clause (b) of sub Section (1) of Section 57 were not qualifying sub Clause (a) of sub Section (1) of Section 57. Further, the words "any other action" which found mention in sub Clause (b) implied that the action could be other than a claim for damages or a claim for injunction. Post amendment, as the section stands effective from 10.5.1995, the legislature has restricted the right of the author to claim damages or to seek an order of restrain. Further, proof of prejudice to the author's honour or reputation has been made the sine qua non for claiming damages.

However, the various declarations by the international community in the conventions noted above, lift the moral rights in works of Art if the same acquire the status of cultural heritage of a nation. India is a signatory to the conventions and it would be the obligation of the State to honour its declarations.

There would therefore be urgent need to interpret Section 57 of the Copyright Act, 1957 in its wider amplitude to include destruction of a work of art, being the extreme form of mutilation, since by reducing the volume of the authors creative corpus it affects his reputation prejudicially as being actionable under said section. Further, in relation to the work of an author, subject to the work attaining the status of a modern national treasure, the right would include an action to protect the integrity of the work in relation to the cultural heritage of the nation.

On this rationale, the court awarded damages and also ordered return of the mural to the author.

## 10.12 OWNERSHIP OF INFRINGING COPIES

As per Section 58 of the Copyright Act, 1957, all infringing copies of any work in which copyright subsists are deemed to be the property of the owner of the copyright who may take proceedings for the recovery of possession thereof or in respect of the conversion thereof.

However, where the alleged infringer proves that he was not aware and had no reasonable grounds for believing that copyright subsists in the work or that he had reasonable grounds to believe that such copies or plates do not involve infringement of the copyright in any work, the owner of the copyright will not be entitled to any remedy in respect of the conversion of any infringing copies.

Another case where the owner of copyright cannot claim ownership of the infringing work or ask conversion damages is a building which infringes another's copyright.

### Self Assessment Questions

(Spend 3 minutes each)

- 3) What are the civil remedies available to a copyright owner for infringement of his copyright?

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- 4) Who can sue for infringement?

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- 5) Can one get both damages and accounts of profit?

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- 6) What is the approach of Indian courts to copyright infringement?

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## 10.13 SUMMARY

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In this Unit we have seen the various civil remedies available for a copyright owner in case of infringement of his copyrights by another.

An owner of copyright or his assignee or an exclusive licensee of the copyright can initiate the proceedings in a civil suit for infringement. In the case of anonymous or pseudonymous works, the publisher can initiate the civil suit.

A civil suit is to be instituted in the district court of the place of action or the district court in whose jurisdiction the plaintiff voluntarily resides or carries on business or is gainfully employed.

The scope of the civil remedies extend to:

- Injunction
- Damages
- Accounts of Profit

Injunction is of two types: Interlocutory injunction and Final or Permanent Injunction. An injunction prohibits the defendant from carrying on the alleged infringing activity. Therefore, it is issued after making reasonable assessment regarding the possibility of infringement getting proved and the loss that may be suffered by the plaintiff and the defendant.

Indian courts also issue what has come to be known as Anton Piller orders. These orders are issued without hearing the defendant and authorise search and seizure of his premises. The reason for such orders is that if the defendant has prior information, he may remove the infringing articles including pirated works, and the plates used for the same. This will put the plaintiff in a very unfavourable situation where he will not have proof of the infringing activity by the defendant. Hence such orders are issued.

Damages are ordered on the basis of the estimated losses suffered by the plaintiff. It is a way to compensate him. In assessing the amount, the gains made by the infringer and the possible loss of market for the owner of copyright because of the competition by the infringer are all taken into account.

Account of profit is share in the profit that the infringer had made out of the infringing work through sale of the pirated copies. It can be the whole profit or a proportionate share. Sometimes, depending on the circumstances, the administrative and other expenditure incurred by the defendant is reduced.

One can get either damages or accounts of profit and not both.

Indian courts also award punitive damages in copyright infringement cases to deter infringement.

The courts also grant custody of the infringing works and the plates and other instruments used in the infringing activity to the actual owner of copyright.

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## 10.14 TERMINAL QUESTIONS

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- 1) What is interlocutory injunction in copyright cases and what are the grounds for issuing the same?

- 2) Write two paragraphs on Anton Piller Order?
- 3) What are the ways of assessing damages in copyright cases?
- 4) What are the civil remedies available for author's special rights?
- 5) What is punitive damages and why courts are awarding the same?

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## **10.15 ANSWERS AND HINTS**

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### **Self Assessment Questions**

- 1) Refer to Section 10.1
- 2) Refer to Section 10.1
- 3) Refer to Section 10.5
- 4) Refer to Section 10.3
- 5) Refer to Section 10.4
- 6) Refer to Section 10.4

### **Terminal Questions**

- 1) Refer to Section 10.7
- 2) Refer to Section 10.8
- 3) Refer to Section 10.9
- 4) Refer to Section 10.5
- 5) Refer to Section 10.10

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## **10.16 REFERENCES AND SUGGESTED READINGS**

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- 1) International Copyright and Neighbouring Rights by S. M. Stewart.
- 2) Principles of Intellectual Property by N.S. Gopalakrishnan and T.G. Agitha.
- 3) Copyright and Industrial Designs by P. Narayanan.
- 4) Copinger and Skone James on Copyright.
- 5) Lal's Commentary on Copyright Act.
- 6) Iyengar's The Copyright Act, 1957.
- 7) Copyright by Graham P Cornish.

*Statute**Civil Remedies***54. Definition. –**

*For the purposes of this Chapter, unless the context otherwise requires, the expression “owner of copyright” shall include-*

- a) *an exclusive licensee;*
- b) *in the case of an anonymous or pseudonymous literary, dramatic, musical or artistic work, the publisher of the work, until the identity of the author or, in the case of an anonymous work of joint authorship, or a work of joint authorship published under names all of which are pseudonyms, the identity of any of the authors, is disclosed publicly by the author and the publisher or is otherwise established to the satisfaction of the Copyright Board by that author or his legal representatives.*

**55. Civil remedies for infringement of copyright. –**

- 1) *Where copyright in any work has been infringed, the owner of the copyright shall, except as otherwise provided by this Act, be entitled to all such remedies by way of injunction, damages, accounts and otherwise as are or may be conferred by law for the infringement of a right :*

*Provided that if the defendant proves that at the date of the infringement he was not aware and had no reasonable ground for believing that copyright subsisted in the work, the plaintiff shall not be entitled to any remedy other than an injunction in respect of the infringement and a decree for the whole or part of the profits made by the defendant by the sale of the infringing copies as the court may in the circumstances deem reasonable.*

- 2) *Where, in the case of a literary, dramatic, musical or artistic work, a name purporting to be that of the author or the publisher, as the case may be, appears on copies of the work as published, or, in the case of an artistic work, appeared on the work when it was made, the person whose name so appears or appeared shall, in any proceeding in respect of infringement of copyright in such work, be presumed, unless the contrary is proved, to be the author or the publisher of the work, as the case may be.*
- 3) *The costs of all parties in any proceedings in respect of the infringement of copyright shall be in the discretion of the court.*

**56. Protection of separate rights. –**

*Subject to the provisions of this Act, where the several rights comprising the copyright in any work are owned by different persons, the owner of any such right shall, to the extent of that right be entitled to the remedies provided by this Act and may individually enforce such right by means of any suit, action or other proceeding without making the owner of any other right a party to such suit, action or proceeding.*

**57. Author's special rights.**

- 1) *Independently of the author's copyright and even after the assignment either wholly or partially of the said copyright, the author of a work shall have the right-*
  - a) *to claim authorship of the work; and*
  - b) *to restrain or claim damages in respect of any distortion, mutilation, modification or other act in relation to the said work which is done before the expiration of the term of copyright if such distortion, mutilation, modification or other act would be prejudicial to his honour or reputation:*

*Provided that the author shall not have any right to restrain or claim damages in respect of any adaptation of a computer programme to which clause (aa) of sub-section (1) of section 52 applies.*

*Explanation.- Failure to display a work or to display it to the satisfaction of the author shall not be deemed to be an infringement of the rights conferred by this section.*

- 2) *The right conferred upon an author of a work by sub-section (1), other than the right to claim authorship of the work, may be exercised by the legal representatives of the author.*

**58. Rights of owner against persons possessing or dealing with infringing copies. -**

*All infringing copies of any work in which copyright subsists, and all plates used or intended to be used for the production of such infringing copies, shall be deemed to be the property of the owner of the copyright, who accordingly may take proceedings for the recovery of possession thereof or in respect of the conversion thereof :*

*Provided that the owner of the copyright shall not be entitled to any remedy in respect of the conversion of any infringing copies, if the opponent proves-*

- a) *that he was not aware and had no reasonable ground to believe that copyright subsisted in the work of which such copies are alleged to be infringing copies; or*
- b) *that he had reasonable grounds for believing that such copies or plates do not involve infringement of the copyright in any work.*

**59. Restriction on remedies in the case of works of architecture. -**

- 1) *Notwithstanding anything contained in the Specific Relief Act, 1963, where the construction of a building or other structure which infringes or which, if completed, would infringe the copyright in some other work has been commenced, the owner of the copyright shall not be entitled to obtain an injunction to restrain the construction of such building or structure or to order its demolition.*
- 2) *Nothing in section 58 shall apply in respect of the construction of a building or other structure which infringes or which, if completed, would infringe the copyright in some other work.*

**60. Remedy in the case of groundless threat of legal proceedings. –**

*Where any person claiming to be the owner of copyright in any work, by circulars, advertisements or otherwise, threatens any other person with any legal proceedings or liability in respect of an alleged infringement of the copyright, any person aggrieved thereby may, notwithstanding anything contained in section 34 of the Specific Relief Act, 1963 institute a declaratory suit that the alleged infringement to which the threats related was not in fact an infringement of any legal rights of the person making such threats and may in any such suit-*

- a) *obtain an injunction against the continuance of such threats; and*
- b) *recover such damages, if any, as he has sustained by reason of such threats.*

*Provided that this section shall not apply if the person making such threats, with due diligence, commences and prosecutes an action for infringement of the copyright claimed by him.*

**61. Owners of copyright to be party to the proceeding. –**

- 1) *In every civil suit or other proceeding regarding infringement of copyright instituted by an exclusive licensee, the owner of the copyright shall, unless the court otherwise directs, be made a defendant and where such owner is made a defendant, he shall have the right to dispute the claim of the exclusive licensee.*
- 2) *Where any civil suit or other proceeding regarding infringement of copyright instituted by an exclusive licensee is successful, no fresh suit or other proceeding in respect of the same cause of action shall lie at the instance of the owner of the copyright*

**62. Jurisdiction of court over matters arising under this Chapter. –**

- 1) *Every suit or other civil proceeding arising under this Chapter in respect of the infringement of copyright in any work or the infringement of any other right conferred by this Act shall be instituted in the district court having jurisdiction.*
- 2) *For the purpose of sub-section (1), and “district court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908, or any other law for the time being in force, include a district court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or other proceeding or, where there are more than one such persons, any of them actually and voluntarily resides or carries on business or personally works for gain.*

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## UNIT 11 CRIMINAL PROCEEDINGS

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### Structure

- 11.1 Introduction
  - 11.2 Objectives
  - 11.3 Offences
  - 11.4 Who Can Initiate Criminal Proceedings?
  - 11.5 Cognizance of Offence and Court of Jurisdiction
  - 11.6 Investigating Procedures
  - 11.7 Penalties
  - 11.8 Summary
  - 11.9 Terminal Questions
  - 11.10 Answers and Hints
  - 11.11 References and Suggested Readings
- Annexure

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### 11.1 INTRODUCTION

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While it is an obligation of all Member States of the TRIPS Agreement to provide for civil remedies for all intellectual property right infringements, in the case of copyrights and trademarks there is an added obligation to provide for criminal procedures and penalties. Article 62 of the TRIPS Agreement reads:

Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale.

The purposes of civil remedies are (i) to provide compensation to the right owner for the loss caused by the infringement, (ii) to dispose of the infringing copies in an appropriate way, (iii) to dispose of the plates and other equipments used in the infringing activity, (iv) to prohibit further infringing activity. But civil remedies are not always sufficient deterrents. Where infringement is a commercial activity, though illegal, it may be necessary to treat it as a criminal offence and dealt with accordingly. Pirates are there not for any social cause but for making money for themselves. Such activities could greatly harm the development of culture. This seems to be the philosophy in treating copyright infringement as a criminal offence by the international intellectual property community.

Since it is a mandatory requirement of the TRIPS Agreement, countries who are members of the World Trade Organisation have provided in their domestic

legislations that copyright infringement is a criminal offence. They also prescribe penalties for the same.

The Copyright Act, 1957 contains elaborate provisions on the criminal procedures for copyright infringement. It provides mandatory minimum punishment which includes imprisonment and fine. Substantial changes in the provisions regarding criminal offence were introduced through an amendment in 1984. The reason for the same was to make copyright law an effective tool to fight piracy. This is clear from the statement of objects and reasons for introducing the amendment. It said: "Piracy has become a global problem due to the rapid advances in technology. It has assumed alarming proportions all over the world and all the countries are trying to meet the challenge by taking stringent legislative and enforcement measures." The Statement also made a reference to the concerns on piracy voiced by Members of Parliament during consideration of a bill to amend the Copyright Act in 1983.

The Statement of Objects and Reasons identified three types of piracy, namely, piracy of the printed word, piracy of sound recordings and piracy of cinematograph films. The statement clearly observed that "the object of the pirate in all such cases is to make quick money and avoid payment of legitimate taxes and royalties." These and other reasons led the government to make, inter alia, the following amendments to the Copyright Act in 1984:

- i) To increase the punishment provided for the infringement of the copyright, namely, imprisonment of three years, with a minimum punishment of imprisonment of six months, and a fine upto Rs. 2 lakh, with a minimum of Rs. 50,000.
- ii) To provide for enhanced punishments in the case of second and subsequent convictions;
- iii) To provide for the declaration of the offence of infringement of copyright as an economic offence so that the period of limitation provided for in the Code of Criminal Procedure, 1973 for offences will not be applicable to this offence.

As of today, the sections dealing with criminal offences in the Copyright Act, 1957 are in full consonance with India's obligations under the TRIPS Agreement.

**Self Assessment Questions** **(Spend 3 minutes each)**

1) What are the TRIPS requirements regarding provision of criminal; procedures for copyright infringement?

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2) What was the reason for the amendment of provisions regarding criminal procedures in the Copyright Act, in 1984?

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## 11.2 OBJECTIVES

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After reading this unit, you should be able to:

- apprise you about the provisions in the copyright Act, 1957 about criminal offences and the remedies prescribed for the same.

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## 11.3 OFFENCES

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Offences are generally of the following types:

- a) Infringement of a copyright in a work
- b) Infringement of any other right granted by the Copyright Act, 1957
- c) Abetment of any of the above offence.

The law, however, qualifies it by saying that the person who 'knowingly' does any of the above acts only commits an offence. Knowledge that the act one is about to do is against law is basic to criminal jurisprudence, though ignorance of law is no excuse.

Infringement of copyright occurs when any person without the consent of the consent of the copyright owner does any of the following and, if it does not come under the acts specified as not infringement in Section 52 of the Copyright Act:

- a) in the case of a literary, dramatic or musical work
  - 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 above.

- b) in the case of a computer programme, in addition to what is specified above, to sell or give on commercial rental or offer for sale or for commercial rental any copy of the computer programme.
- c) in the case of an artistic work,-
  - i) to reproduce the work in any material form including depiction in three dimensions of a two dimensional work or in two dimensions of a three dimensional work;
  - ii) to communicate the work to the public;
  - iii) to issue copies of the work to the public not being copies already in circulation;
  - iv) to include the work in any cinematograph film;
  - v) to make any adaptation of the work;
  - vi) to do in relation to an adaptation of the work any of the acts specified above
- d) In the case of cinematograph film, -
  - 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;
- e) In the case of sound recording, -
  - 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.

An exception is the construction of a building or other structure which infringes or which, if completed, would infringe the copyright in some other work. That will not be an offence under Section 63 of the Copyright Act.

There are other rights in the Copyright Act. Infringement of any of them is also an offence. These include the following:

- i) Permitting 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 the person permitting was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright;
- ii) Making for sale or hire, or selling or letting for hire, or by way of trade displaying or offering for sale or hire any infringing copies of a work
- iii) Distributing either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright
- iv) By way of trade exhibiting in public any infringing copies of a work

- v) Importing into India any infringing copies of a work.

The Infringement of the special rights of authors is also an offence since those rights are rights granted by the Copyright Act. In the case of *Sheo Ratan Upadhyaya v. Gopal Chandra Nepali*, this issue was agitated. In that case one argument was that Section 57 regarding author's special rights appears in the chapter concerned with civil remedies and that it is a remedial right and not a substantive right. The argument was that the remedial right is not infringed since civil suit route is open to the owner. The court said:

It is often difficult to draw a sharp distinction between a remedial right and a substantive right. It is true that nobody has stopped the complainant from claiming damages or from bringing a suit for injunction. These rights not only presuppose the rights but the section appears to create certain special rights.

Another punishable offence is publishing of a sound recording or a cinematograph film in contravention of the provisions of Section 52A. That Section requires that every sound recording should display the following particulars on the sound recording and on the container of the sound recording:

- a) the name and address of the person who has made the sound recording
- b) the name and address of the owner of the copyright in the work, and
- c) the year of its first publication.

Similarly, in the case of a video film the following particulars to be displayed in the video film, when exhibited, and on the video cassette or other container of the film:

- a) if a cinematograph film, a copy of the certificate granted by the Board of Film certification under Section 5A of the Cinematograph Act
- b) the name and address of the person who has made the video film and a declaration by him that he has obtained the necessary licence or consent from the owner of the copyright in any work exploited for making the video film, and
- c) the name and address of the owner of the copyright in the work.

The following are some of the other offences for which penalties have been prescribed in the Copyright Act:

- a) Knowing use of infringing copy of a computer programme
- b) Making any plate for the purpose of making infringing copies of any work in which copyright subsists
- c) Possession of plates for making infringing copies
- d) Causing or making a false entry in the Register of Copyright
- e) Causing or making a false copy of any entry in the Copyright Register
- f) Producing or tendering or causing to be produced or tendered as evidence any such entry or writing, knowing the same to be false
- g) Making a false statement or representation, knowing the same to be false, with a view to deceiving any authority under the Copyright Act such as the Registrar of Copyright or the Chairman and Members of the Copyright Board

or with a view to procuring or influencing the doing or omission of anything in relation to the Copyright Act.

Plate is defined in the Act to include any stereotype or other plate, stone, block, mould, matrix, transfer, negative, duplicating equipment or other device used or intended to be used for printing or reproducing copies of any work, and any matrix or other appliances by which sound recording for the acoustic presentation of the work are or are intended to be made.

The only right which is exempt from the purview of offences is the resale share right in the original copy of a painting, sculpture or drawing or of the original manuscript of a literary or dramatic work or musical work, as contained in Section 53A.

The main point in all these offences is that it should have been done 'knowingly'. Prior knowledge on the part of the accused that the act he is about to do is illegal to constitute the offence of infringement. In any criminal case, it falls on the prosecution to prove beyond reasonable doubt that the offender committed the act of infringement with the knowledge that he was committing an illegal act. For example, it is possible that a person approaches a publisher with a plagiarised copy of a book and the publisher publishes it. If he had no possible ground to suspect the claims of the person, the publisher cannot be held to have committed the offence of copyright infringement.

The issue of "knowingly infringes" came up in few cases. In *Sheo Ratan Upadhyaya v. Gopal Chandra Nepali* [AIR 1965 All. 274], the court observed that a person may very well be mistaken about the facts so that he entertains a *bona fide* belief that legal right exists whereas, in actuality it does not. It also said, "If the law places upon the prosecution the duty of proving that the accused possessed the knowledge of the existence of a right, it necessarily obliges the prosecution to prove that the accused also knew the required law which gives a right". The burden of proving that the defendant knew of the existence of the copyright and also his own legal rights to make any changes which he considered necessary falls on the prosecution in criminal proceedings.

In *Cherian P Joseph v. K. Prabhakarna Nair* [AIR 1967 Ker 234], the Kerala High Court also said: "The further question is whether the prosecution has brought home the offence under Section 63 of the Act against the accused. Section 63 of the Act postulates a knowledge on the part of the accused that the Malayalam translations were really piratical reproductions of the complainant's books. It is true that the possibilities are that he must have known but in a case of an appeal against acquittal, unless there is clear and conclusive proof of the knowledge the accused cannot be found guilty of the offence."

Mere possession of infringing copies is not always sufficient proof to establish that the person committed an act of infringement. It has to be established that he reproduced or sold or distributed those infringing copies.

At the same time, sale of a pirated book makes out a *prima facie* case to constitute an offence of infringement of copyright.

### Other Offences

Any person who circumvents an effective technological measure applied for the purpose of protecting any of the rights conferred by the Act, with the intention of

infringing such rights, is committing a punishable offence. The punishment in such cases shall be imprisonment which may extend to two years. They are also liable to fine. Of course, if any body does such an act to enjoy the work which is a permitted by the Act, then it will not be punishable.

Similarly, any person who knowingly removes or alters any rights management information without authority or distributes, imports for distribution, broadcasts or communicates to the public without authority, copies of any work, or performance knowing that electronic rights management information has been removed or altered without authority is punishable with imprisonment which may extend to two years and also liable to fine.

These provisions have been incorporated through the 2012 amendment and in pursuance to the WIPO Copyright Treaty (1996) and the WIPO Performances and Phonograms Treaty (1996).

**Self Assessment Questions**

**(Spend 3 minutes each)**

3) What is infringement with reference to a literary work?

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4) Is permitting use of a place for an infringing communication to the public an offence or not?

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5) If a publisher makes certain changes in a work not to the liking of the author, will it be an offence?

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## 11.4 WHO CAN INITIATE CRIMINAL PROCEEDINGS?

The widely held view is that since copyrights are private property rights, the owners of those right or their assignees or exclusive licensees may initiate the criminal proceedings through complaints. Section 63, however, does not specifically prescribe any restriction to the effect that only the author or assignee or exclusive licensee can initiate criminal action. At the same time, it is a fact that in cases of copyright infringement and infringement of author's special rights, as different from violation of certain other rights such as providing certain information on the copies of sound recordings and cinematograph films, if the author or owner or licensee has no complaint, why should others have any complaint? They, in any case, do not suffer any thing materially or morally. "The infringement of copyright is not to be regarded as an offence against the society at large, for which anyone move the machinery of criminal law. ... Dissemination of parts of a work by pirating the same by another author, can hardly have an adverse effect on the society. Piracy of a work can adversely affect the financial interests of the author or assignee or licensee and, therefore, he should alone be held entitled to claim the protection of criminal law. It must, therefore be held that only the author or assignee or licensee of a work can maintain criminal action under Section 63 of the Act for protection of his copyright in that work." (*Nagin Chand Jain v. State of UP*, 1981 All LJ 1272)

An issue that has cropped up is the requirement of tracing out the owner of copyright. In the case of *State of Andhra Pradesh v. Nagoti Venkataramana*, [1996 PTC 363 (SC)] the question whether identification of the owner of the copyright is a pre-condition for initiating criminal proceedings came up. "The finding of the High Court was that unless the owner is identified and he comes and gives evidence that he had copyright of the video film which was sought to be in violation of Section 52-A or Section 51 of the Act, there was no offence made out by the prosecution and that, therefore, the conviction and sentence of the respondent was not valid in law. ... The identification of the owner being an essential element to prove the offence of infringement of copyright, the prosecution has failed to establish the same. In construction of the penal statute strict construction should be adopted and in that perspective the benefit of doubt given by the High Court is well justified and does not warrant interference."

### **The court further observed in this case that:**

It is true that there is no specific charge under Section 52-A. The charge was under Section 51 read with Section 63 of the Act. In view of the above finding and in view of the findings of the courts below that the respondent was exhibiting the cinematograph films in his Video City for hire or for sale of the cassettes to the public which do not contain the particulars envisaged under Section 52-A of the Act, the infringement falls under Section 51[2] (ii) or Section 52-A of the Act. The former is punishable under Section 63 and the latter is punishable under Section 68-A of the Act. In view of the above findings of the courts below the offence under which the case falls. It would, therefore, be unnecessary for the prosecution to track on and trace out the owner of the copyright to come and adduce evidence of infringement of copyright. The absence thereof does not constitute lack of essential element of infringement of copyright. If the particulars on video films etc. as mandated under Section 52-A do not find place, it would be infringement of copyright.

**Self Assessment Questions**

**(Spend 3 minutes each)**

6) Is it necessary to identify the author and owner of copyright before initiating a criminal copyright infringement case?

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**11.5 COGNIZANCE OF OFFENCE AND COURT OF JURISDICTION**

Section 70 of the Copyright Act provides that no court inferior to that of a Metropolitan Magistrate of the First Class shall try any offence under the Copyright Act.

There is no specific provision in the Copyright Act, 1957, regarding the place for filing criminal complaints. The provisions of the Criminal Procedure Code regarding the place of an enquiry and trial in Chapter XV are the only provisions which would help a Court in finding out whether it has jurisdiction. That means it should be as per the provisions contained in Sections 177 to 187 of the Code of Criminal Procedure. Section 177 of the Criminal Procedure code provides that “every offence shall ordinarily be enquired into and tried by a court within the local limits of whose jurisdiction it was committed.” In most cases, therefore, the criminal court of the place of commitment of the act of piracy would be the appropriate court.

It is, however, for the prosecution to establish the facts necessary to prove the jurisdiction of the trial court.

In *J.N. Bagga and Ors. v. All India Reporter Ltd.* [AIR 1969 Bom 302, (1969) 71 BOMLR 409, 1969 CriLJ 1109], the main question that was raise before the trail Magistrate was that the Criminal Court at Nagpur had no jurisdiction to entertain the complaints filed. This is because the authors as well as the partners of the firm that published the book were residents of Allahabad. The firm, which is required to be treated as Company for the purpose of the Copyright Act, 1957, has its registered office at Allahabad. The writing of the book and the publishing of it have taken place at Allahabad.... “So far as the Copyright Act, 1957 is concerned, there is a specific provision contained in Section 62 relating to the place of suing in civil proceeding. There is no specific provision in the Copyright Act, 1957 regarding the place of suing for the commission of a criminal offence. One has therefore, to go to the provisions of the Criminal Procedure Code for finding out whether the Nagpur Court could entertain the present complaints. there is no specific provision in the Copyright Act, 1957, regarding the place for filing criminal complaints. The provisions of the Criminal Procedure Code regarding the place of an enquiry and trial in Chapter XV are the only provisions

The Convention also provides for moral rights independently of the economic rights. These are the rights to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the work which would be prejudicial to the honour and reputation of the author.

The Convention lays down the minimum term of protection as the life of the author plus fifty years. For cinematographic films this period is fifty years after the work has been made available to the public and for photographs it is twenty-five years from the making of the work.

The Convention also provides for certain limitations on the exclusive rights in the public interest. Thus, the protected works can be used in certain cases without particular authorisations of the owner. This is subject to what has come to be known as the three-step test, namely, it has to be in certain special cases only, it should not come into conflict with the normal exploitation of the work and should not unreasonably prejudice the legitimate interest of the author.

The Appendix to the Paris Act of the Convention also permits developing countries to grant non-voluntary licences for translation and reproduction of works in certain uses in connection with educational activities. In these cases, the specified use is allowed without the authorization of the right holder, subject to the payment of remuneration to be fixed by the law.

A country who accedes to the treaty becomes a Member of the Convention. These Members form what is known as the Berne Union. Members of the Berne Union have an Assembly and an Executive Committee. Every country member of the Union who has adhered to at least the administrative and final provisions of the Stockholm Act is a member of the Assembly. The Stockholm Act contains the amendments made upto and including in Stockholm in 1967.

The Berne Convention initially established an International Bureau to administer the treaty. Later it got merged with the International Bureau for Paris Convention. With the establishment of the World Intellectual Property Organisation, it became the administrative body for the Berne Convention.

<b>Self Assessment Questions</b>	<b>(Spend 3 minutes each)</b>
3) Write a paragraph on the finalisation of and subsequent amendments to the Berne Convention.	
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4) What are the rights provided to authors in the Berne convention?

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5) What are the exceptions and limitations to copyrights provided in the Berne Convention?

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6) Who administers the Berne convention?

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### **16.4 UNIVERSAL COPYRIGHT CONVENTION**

The Universal Copyright Convention was adopted at Geneva on 6 September 1952 and revised at Paris on 24 July 1971. It has currently a membership of 65 countries. List of member states of the Universal Copyright Convention is given below:

1) United Kingdom of Great Britain and Northern Ireland	34) Dominican Republic
2) France	35) Barbados
3) Hungary	36) Sri Lanka
4) United States of America	37) Saint Vincent and the Grenadines
5) Cameroon	38) Peru
6) Algeria	39) Netherlands
7) Sweden	40) Finland
8) Germany	41) Republic of Korea
9) Kenya	42) India

10) Senegal	43) Trinidad and Tobago
11) Spain	44) Niger
12) Norway	45) Rwanda
13) Monaco	46) Bolivia (Plurinational State of)
14) Bulgaria	47) Cyprus
15) Tunisia	48) Ecuador
16) Bangladesh	49) Croatia
17) Mexico	50) China
18) Brazil	51) Slovenia
19) Morocco	52) Uruguay
20) Colombia	53) Czech Republic
21) Bahamas	54) Slovakia
22) Poland	55) Switzerland
23) Japan	56) Bosnia and Herzegovina
24) Australia	57) Saudi Arabia
25) El Salvador	58) Russian Federation
26) Denmark	59) Venezuela (Bolivarian Republic of)
27) Italy	60) The former Yugoslav Republic of Macedonia
28) Costa Rica	61) Liechtenstein
29) Holy See	62) Serbia
30) Panama	63) Togo
31) Portugal	64) Albania
32) Guinea	65) Montenegro
33) Austria	

The Universal Copyright Convention (UCC) was developed by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) as an alternative to the Berne Convention for those countries which disagreed with certain aspects of the Berne Convention but still wished to participate in some form of multilateral copyright protection. The countries who took the initiative in making the Universal Copyright Convention included the then Soviet Union, the United States of America and the Latin American countries.

The Convention seeks to provide for adequate and effective protection of the rights of authors and other copyright proprietors in literary, scientific and artistic works including writings, musical, dramatic and cinematographic works and paintings and engravings and sculpture.

The rights provided under the UCC include the exclusive right of the author to reproduce make, publish, and authorise the making and publication of translation of works.

The minimum duration of protection under the Universal Copyright Convention is life of the author and twenty-five years after his death.

While the Berne Convention insists on not prescribing any formality for protection, under the Universal Copyright Convention, any formality in a national law can be satisfied by the use of a notice of copyright in the form and position specified in the UCC. A UCC notice should consist of the symbol © (C in a circle) accompanied by the year of first publication and the name of the copyright proprietor (example: © 2011 Rajinder Kumar). This notice must be placed in such a manner and location as to give reasonable notice of the claim to copyright.

With the inclusion of the substantive provisions of the Berne Convention in the Agreement on Trade Related aspects of Intellectual Property Rights administered by World Trade Organisation, and with larger memberships of Berne Convention and the World Trade Organisation, and since the rights in the Berne Convention and the TRIPS being of a higher level, the Universal Copyright Convention is now more of academic interest than practical application.

The convention is administered by the UNESCO.

India is a member of the both Berne Convention and the Universal Copyright Convention.

**Self Assessment Questions**

**(Spend 3 minutes each)**

7) When was the Universal Copyright Convention finalised and how many members are in it now?

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8) Who administers the Universal Copyright Convention?

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9) What are the formalities prescribed under the Universal Copyright Convention for a work to become entitled for protection?

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10) What is the duration of copyright protection under the Universal Copyright Convention?

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## 16.5 ROME CONVENTION

The International Convention for The Protection of Performers, Producers of Phonograms and Broadcasting Organisations (1961) was finalised in Rome and has come to be known as the Rome Convention. It is the first major international treaty on related rights.

The Convention secures protection in performances for performers, in phonograms for producers of phonograms and in broadcasts for broadcasting organisations.

Performers include actors, singers, musicians, dancers and those who perform literary or artistic works. They are protected against certain acts to which they have not consented. Such acts are: the broadcasting and communication to the public of a live performance; the fixation of the live performance; the reproduction of the fixation if the original fixation was made without the performer's consent or if the reproduction was made for purposes different from those for which consent was given.

Producers of phonograms have the right to authorise or prohibit the direct or indirect reproduction of their phonograms (sound recording). As per the Convention, "phonograms" means any exclusively aural fixation of sounds of a performance or of other sounds. Where a phonogram published for commercial purposes gives rise to secondary uses such as broadcasting or communication to the public in any form, a single equitable remuneration must be paid by the user to the performers, to the producers of the phonograms, or to both. Contracting States are free, however, not to apply this rule or to limit its application.

Broadcasting organisations have the right to authorise or prohibit certain acts, namely:

- the rebroadcasting of their broadcasts;
- the fixation of their broadcasts;
- the reproduction of such fixations;
- the communication to the public of their television broadcasts if such communication is
- made in places accessible to the public against payment of an entrance fee

The Rome Convention allows for exceptions and limitations to the above-mentioned rights in national laws as regards private use, use of short excerpts in

connection with reporting current events, ephemeral fixation by a broadcasting organisation by means of its own facilities and for its own broadcasts, use solely for the purpose of teaching or scientific research and in any other cases where national law provides exceptions to copyright in literary and artistic works. Overall, exceptions cover non-commercial private uses.

Furthermore, once a performer has consented to the incorporation of a performance in a visual or audiovisual fixation, the provisions on performers' rights have no further application.

Protection must last at least until the end of a 20-year period computed from the end of the year in which (a) the fixation was made, for phonograms and for performances incorporated therein; (b) the performance took place, for performances not incorporated in phonograms; (c) the broadcast took place. However, national laws increasingly provide for a 50-year term of protection, at least for phonograms and performances.

WIPO is responsible, jointly with the International Labour Organisation (ILO) and UNESCO, for the administration of the Rome Convention.

The Rome Convention at present has a membership of 91 countries. The list of the members of the Rome Convention is given below:

<b>Country</b>	<b>Date of Joining</b>
Albania	September 1, 2000
Algeria	April 22, 2007
Andorra	May 25, 2004
Argentina	March 2, 1992
Armenia	January 31, 2003
Australia	September 30, 1992
Austria	June 9, 1973
Azerbaijan	October 5, 2005
Bahrain	January 18, 2006
Barbados	September 18, 1983
Belarus	May 27, 2003
Belgium	October 2, 1999
Bolivia (Plurinational State of)	November 24, 1993
Bosnia and Herzegovina	May 19, 2009
Brazil	September 29, 1965
Bulgaria	August 31, 1995
Burkina Faso	January 14, 1988
Canada	June 4, 1998
Cape Verde	July 3, 1997

Chile	September 5, 1974
Colombia	September 17, 1976
Congo	May 18, 1964
Costa Rica	September 9, 1971
Croatia	April 20, 2000
Cyprus	June 17, 2009
Czech Republic	January 1, 1993
Denmark	September 23, 1965
Dominica	November 9, 1999
Dominican Republic	January 27, 1987
Ecuador	May 18, 1964
El Salvador	June 29, 1979
Estonia	April 28, 2000
Fiji	April 11, 1972
Finland	October 21, 1983
France	July 3, 1987
Georgia	August 14, 2004
Germany	October 21, 1966
Greece	January 6, 1993
Guatemala	January 14, 1977
Honduras	February 16, 1990
Hungary	February 10, 1995
Iceland	June 15, 1994
Ireland	September 19, 1979
Israel	December 30, 2002
Italy	April 8, 1975
Jamaica	January 27, 1994
Japan	October 26, 1989
Kyrgyzstan	August 13, 2003
Latvia	August 20, 1999
Lebanon	August 12, 1997
Lesotho	January 26, 1990
Liberia	December 16, 2005
Liechtenstein	October 12, 1999
Lithuania	July 22, 1999
Luxembourg	February 25, 1976

**Related Rights and  
International Protection of  
Copyright**

Mexico	May 18, 1964
Monaco	December 6, 1985
Montenegro	June 3, 2006
Netherlands	October 7, 1993
Nicaragua	August 10, 2000
Niger	May 18, 1964
Nigeria	October 29, 1993
Norway	July 10, 1978
Panama	September 2, 1983
Paraguay	February 26, 1970
Peru	August 7, 1985
Philippines	September 25, 1984
Poland	June 13, 1997
Portugal	July 17, 2002
Republic of Korea	March 18, 2009
Republic of Moldova	December 5, 1995
Romania	October 22, 1998
Russian Federation	May 26, 2003
Saint Lucia	August 17, 1996
Serbia	June 10, 2003
Slovakia	January 1, 1993
Slovenia	October 9, 1996
Spain	November 14, 1991
Sweden	May 18, 1964
Switzerland	September 24, 1993
Syrian Arab Republic	May 13, 2006
Tajikistan	May 19, 2008
the former Yugoslav Republic of Macedonia	March 2, 1998
Togo	June 10, 2003
Turkey	April 8, 2004
Ukraine	June 12, 2002
United Arab Emirates	January 14, 2005
United Kingdom	May 18, 1964
Uruguay	July 4, 1977
Venezuela (Bolivarian Republic of)	January 30, 1996
Vietnam	March 1, 2007

**64. Power of police to seize infringing copies .**

- 1) *Any police officer, not below the rank of a sub-inspector, may, if he is satisfied that an offence under Section 63 in respect of the infringement of copyright in any work has been, is being, or is likely to be, committed, seize without warrant, all copies of the work, and all plates used for the purpose of making infringing copies of the work, wherever found, and all copies and plates so seized shall, as soon as practicable, be produced before a Magistrate.*
- 2) *Any person having an interest in any copies of a work 132[or plates] seized under sub-section (1) may, within fifteen days of such seizure, make an application to the Magistrate for such copies, or plates being restored to him and the Magistrate, after hearing the applicant and the complainant and making such further inquiry as may be necessary, shall make such order on the application as he may deem fit.*

**65. Possession of plates for purpose of making infringing copies.**

*Any person who knowingly makes, or has in his possession, any plate for the purpose of making infringing copies of any work in which copyright subsists shall be punishable with imprisonment which may extend to two years and shall also be liable to fine.*

**66. Disposal of infringing copies or plates for purpose of making infringing copies.**

*The court trying any offence under this Act may, whether the alleged offender is convicted or not, order that all copies of the work or all plates in the possession of the alleged offender, which appear to it to be infringing copies, or plates for the purpose of making infringing copies, be delivered up to the owner of the copyright.*

**67. Penalty for making false entries in register, etc., for producing or tendering false entries .**

*Any person who,-*

- a) *makes or causes to be made a false entry in the Register of Copyrights kept under this Act, or*
- b) *makes or causes to be made a writing falsely purporting to be a copy of any entry in such register, or*
- c) *produces or tenders or causes to be produced or tendered as evidence any such entry or writing, knowing the same to be false, shall be punishable with imprisonment which may extend to one year, or with fine, or with both.*

**68. Penalty for making false statements for the purpose of deceiving or influencing any authority or officer.**

*Any person who, -*

- a) *with a view to deceiving any authority or officer in the execution provisions of this Act, or*
- b) *with a view to procuring or influencing the doing or omission of anything relation to this Act or any matter thereunder, makes a false statement or representation knowing the same to be false, shall be punishable with imprisonment which may extend to one year, or with fine, or with both.*

**68A. Penalty for contravention of section 52A.**

*Any person who publishes a sound recording or a video film in contravention of the provisions of Section 52A shall be punishable with imprisonment which may extend to three years and shall also be liable to fine.*

**69. Offences by companies.**

- 1) *Where any offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for, the conduct of the business of the company, as well as the company shall be deemed to be guilty of such offence and shall be liable to be proceeded against and punished accordingly:*

*Provided that nothing contained in this sub-section shall render any person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.*

- 2) *Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company, and it is proved that the offence was committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.*

*Explanation.- For the purposes of this section-*

- a) *“company” means any body corporate and includes a firm or other association of persons; and*
- b) *“director” in relation to a firm means a partner in the firm.*

**70. Cognizance of offences. –**

*No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence under this Act.*

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## UNIT 12 BORDER MEASURES

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### Structure

- 12.1 Introduction
  - 12.2 Objectives
  - 12.3 Provisions in the Copyright Act regarding importation
  - 12.4 Border Measures as per Customs law
  - 12.5 Summary
  - 12.6 Terminal Questions
  - 12.7 Answers and Hints
  - 12.8 References and Suggested Readings
- Annexure

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### 12.1 INTRODUCTION

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Copyright is a bundle of exclusive rights. Enjoyment of these rights does not require any formality. Consequently, copyright is one intellectual property right that can be enjoyed in multiple jurisdictions easily. Since Berne convention for the Protection of Literary and Artistic Works and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) prescribe the minimum standards for protection of copyrights, works of the nationals of any of those countries who are members of these conventions enjoy copyright protection in all the Berne Convention or TRIPS Agreement countries.

At the same time, piracy is also not an activity limited to national boundaries. It is an international activity with large quantities of infringing copies being manufactured in one country and shipped to other countries. This was stated in the Statement of Objects and Reasons attached to the Copyright (Amendment) Bill 1984: "Piracy has become a global problem due to the rapid advances in technology. It has assumed alarming proportions all over the world and all the countries are trying to meet the challenge by taking stringent legislative and enforcement measures."

Domestic measures alone may not be sufficient to stop piracy because of its global nature. It requires measures at the international borders also. Border measures are intended to prevent infringing copies from being brought into the country concerned. As the WIPO Intellectual Property Handbook puts it: "They (border measures) constitute an effective way to counter acts of infringement, because it is frequently easier to prevent the distribution of infringing copies at the border than after the copies have already been brought into the country and put into circulation."

The Berne convention and the TRIPS Agreement contain detailed provisions regarding border measures also, in order to protect the rights of the authors of literary, dramatic, musical and artistic works and cinematograph films.

#### i) *Berne Convention*

Article 16 of the Berne Convention provides that infringing copies of a work shall be liable to seizure in any country of the Union where the work enjoys legal

protection. As mentioned in the preceding paragraph works of nationals of all countries of the Berne Union enjoy copyright protection in all those countries. There are marginal differences in the extent and scope of the rights among these countries, but they all have the minimum rights provided in the Berne convention. The most important of these rights is the right of reproduction. Therefore, when a work is reproduced during the term of the copyright without the consent of the owner of the copyright, unless it is a permissible use, as per the law, all such reproduced copies become infringing copies. The exceptions are limited to certain special cases provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the interests of the author. The minimum period of protection required as per the Berne Convention is from the date of publication until fifty years after the death of the author. During this period, all countries of the Berne Union are required to stop import of infringing copies of any work that enjoys copyright protection in that country.

The provision is also applicable to reproductions coming from a country where the work is not protected or has ceased to be protected. This can occur indifferent circumstances. For example, the reproductions of the work of a national of a country who is a member of the Berne Union can come from a country who is not a member of the Berne Union or the TRIPS Agreement and who has not provided for copyright protection. In that case, while the reproduction of the work is not an illegal act or the reproduced copy is not an infringing copy in that country, since the work enjoys copyright protection in the importing country, it will affect those rights if such imports are allowed. That is why this provision.

Another instance where this can happen even between countries who are members of the Berne Union is one relating to expiry of copyright protection period. As already mentioned the minimum period of protection required as per the Berne Convention and also the TRIPS Agreement is from the date of publication until fifty years after the death of the author. However, countries can provide a term of protection which is more than life plus fifty years. If a country provides a term of protection of life plus sixty years and another country provides a term of protection of life plus fifty years, the works will be in the public domain in the latter country fifty years after the death of the author, whereas in the former country they remain within copyright protection for another ten years. If someone reproduces copies of such a work in the latter country after the expiry of the period of copyright protection in that country and exports them to the latter country, the latter country is bound to seize the copies as they are infringing copies in that country.

Article 13 of the Berne Convention also provides for seizure of certain copies. This Article permits countries to impose reservations and conditions on the exclusive right granted to the author of a musical work and the lyric that is included in the musical work, to authorise the sound recording of that musical work together with the lyric. This, however, is purely a domestic reservation. Importing of such recordings also will have to be stopped at the border, as per the same Article 13.

All such seizures, of course will have to be as per the domestic legislation of each country.

**ii) TRIPS Agreement**

The TRIPS Agreement provides for special requirements related to border measures in Articles 51 to 60. They are common to all intellectual property rights but some of them are specially targeted on copyright protection.

Article 51 provides that Members shall adopt procedures to enable a right holder, who has valid grounds to suspect that the importation of pirated copyright goods may take place, to lodge an application in writing with competent authorities for the suspension by the customs authorities of the release into free circulation of such goods. The expression 'pirated copyright goods' means any goods which are copies made without the consent of the right holder or person duly authorised by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

Two footnotes provide that such procedures are not required in the cases of goods moving within a customs union, goods put on the market in another country by or with the consent of the right holder, and goods in transit. This means that if Europe is one customs union, then the measures are required only at the borders of the customs union and not on the borders of the countries with other countries of the Union. It also talks about exhaustion of right on first sale. That is if the goods have been put in the market by the lawful owner of the copyright or with his consent, such goods are not to be detained or seized for copyright infringement on their moving across borders. It also clearly provides that goods in transit need not be covered under this provision. This means that if goods are exported from India to Brazil and those goods transit through European ports, then the authorities at the European ports should not seize them for any copyright infringement.

Articles 52 to 60 of the TRIPS Agreement provide detailed guidelines with which such border measures must conform.

As per Article 52, the right holder lodging an application to the competent authority shall be required to provide adequate evidence of *prima facie* infringement of his intellectual property right and to supply a sufficiently detailed description of the goods to make them readily recognisable by the customs authorities. The competent authorities shall then inform the applicant whether the application has been accepted and, if so, for what period, and give the necessary directions to customs officers. After this, it is the responsibility of the applicant to initiate proceedings leading to a decision on the merits of the case. The competent authorities can order the applicant indemnification of the importer and of the owner of the goods.

As per Article 53 the competent authority may require the applicant to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. However, such security or equivalent assurance may not be such as to unreasonably deter recourse to these procedures.

Article 54 requires notifying both the applicant and the importer promptly of the suspension of the release of the goods.

If the right holder fails to initiate proceedings leading to a decision on the merits of a case within ten working days, the goods shall normally be released, as per Article 55.

Right holders can be provided sufficient opportunity to have any goods detained by the customs authorities inspected in order to substantiate the right holder's claims.

Once judicial proceedings on the merits of a case have been initiated, the judicial authority may continue the suspension of the release of goods in accordance with a provisional judicial measure. In that case, the provisions on provisional measures in Article 50 shall be applied. The applicant may be required to pay appropriate compensation to persons whose interests have been adversely affected by the wrongful detention of goods or through detention of goods released pursuant to the failure of the applicant to initiate in time proceedings leading to a decision on the merits of the case.

The Agreement requires a system to be put in place under which action will be taken on the basis of an application from a right holder, but leaves it to Members to determine whether they require competent authorities to act upon their own initiative. Article 58 contains certain additional provisions applicable to such *ex officio* action.

In regard to remedies, the competent authorities must have the power to order the destruction or disposal outside the channels of commerce of infringing goods in such a manner as to avoid any harm to the right holder. The principles contained in Article 46 on civil remedies, such as the need for proportionality, apply also to border measures. In regard to counterfeit trademark goods, the authorities may not allow the re-exportation of the infringing goods in an unaltered state or subject them to a different customs procedure, other than in exceptional circumstances. These remedies are without prejudice to other rights of action open to the right holder, such as to obtain damages through civil litigation, and are also subject to the right of the defendant to seek review by a judicial authority.

Article 60 permits Members to exclude from the application of the border measures small quantities of goods of a non-commercial nature contained in a traveller's personal luggage or sent in small consignments.

Many countries have gone for elaborate border measures on enforcement of copyrights and other intellectual property rights.

### iii) *Indian Law*

The Copyright Act of India in Section 51 has made importing into India of any infringing copy of a work an infringing act. The exception to this is the import of one copy of any work for the private and domestic use of the importer.

Section 53 bestows necessary powers on the Commissioner of Customs to prevent import of infringing copies of any work to India. These provisions are also in accordance with the rules framed under the Customs Act.

**Self Assessment Question (Spend 3 minutes each)**

1) What are the provisions in the Berne convention regarding importing of infringing copies of works?

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2) Does the TRIPS require countries to put in place any special measures to prevent import of infringing copies of works?

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3) Is it an obligation under TRIPS Agreement for countries to empower their customs authorities to act *suo motu* in cases of copyright infringement?

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**12.1 OBJECTIVES**

After studying this unit, you will be able to:

- apprise the provisions in the law regarding border measures with reference to protection of copyright.

**12.3 PROVISIONS IN THE COPYRIGHT ACT REGARDING IMPORTATION**

The Copyright Act, 1957, in Section 51 clearly states that when any person imports into India, any infringing copy of a work, that person is committing an infringement. The only exception is importing of one copy for private and domestic use.

Infringing copy means a copy if it was made in India would have been an infringing copy and not that it was necessarily an infringing copy in the country from which it is being imported. Sometimes, copies which are legal in the other could be infringing copies in India. This could happen for various reasons. For example, if the copyright in that work had expired in that country, but not in India. India now provides copyright protection for the life of the author plus sixty years. There are many countries who provide copyright protection for life of the author plus fifty years only. In those countries the copyright in the works would expire ten years before the expiry in India. Therefore, if a copy of the work is made in those countries fifty years after the death of the author but before sixty years after the death, those copies will not be infringing copies in those countries. But in India they will be infringing copies.

Another eventuality is two different persons enjoying the copyright in the exporting country and in India. For example if a particular publishing house is having the copyright in a work for Canada and another publishing house having the copyright in the same work for India. In this case, the copies produced by the Canadian publisher for the Canadian market are perfectly legal copies. But when those copies are imported into India where another publishing house is having the copyright, they would be infringing the copyright of the Indian publisher.

This was the crux of the case, *Penguin Books Ltd. England v. M's India Book Distributors* [AIR 1985 Del 29]. Some extracts from this judgement are reproduced below which you may find illuminating:

Copyright law is a territorial concept and each nation has its own laws. In America it may not be possible to place restrictions on the resale of books. But sale within the United States obviously cannot abrogate the effect of the laws of the particular place where they are imported. It appears to me that an importer would be subject to the law of the particular country to which he happens to take the books. The importer cannot disregard the laws of other countries. ... American books cannot be sold into India so as to defeat the rights of the exclusive licensee.

From the various agreements filed by Penguins it appears that they are the licensees or assignees of territorial rights in the copyright of the subject books as regards India. They being the exclusive licensees it is claimed that Penguins are entitled to restrain India Book Distributors (India Distributors) from importing the parallel American editions of these 23 titles in India. India Distributors deny the title of Penguins. In my opinion there is a prima facie proof of their being licensees of the books in question.

The importation of American editions for the purpose of resale in India is an infringement of copyright of Penguins. They have a territorially exclusive license for India. Therefore the act of importation of American books by the defendants must be shown to have been licensed. "Importation is forbidden unless a license has been given." If this view is not taken, not only will the procedure of granting exclusive licenses for particular areas of copyright be seriously undermined, but the national division of copyright set up under the system of International Copyright Convention in so far as it provides for partial assignments and exclusive licenses, both vertical and horizontal, would to a significant degree be subverted.

[The argument "importation of lawfully published books from America into India is not an infringement under the Copyright Act, 1957 (the Act)" ] is a

fallacious argument. The expression "owner of copyright" includes an exclusive licensee. (Section 54(a)) Exclusive licensee is defined in Section 2(g) as a licensee having "any right comprised in the copyright" in a work to the exclusion of all other persons including the owner of the copyright. Licenses may be limited in time, territory and scope. Assignment either wholly or partially of the rights of the copyright owner is permissible under the Act (Section 18).

Now Penguins are exclusive licensees as they are the assignees of copyrights from the authors in some cases and publishers in others and have an exclusive right to print, publish and market these twenty three titles in India. Section 55(1) provides "civil remedies" for infringement of copyright, namely, injunction, damages, accounts "as are or may be conferred by law for the infringement of a right". So Penguins are entitled to sue "for the infringement of a right".

It is, thus, made clear by the court that even though the copies made in America were legal there, they were infringing copies in India since the owners of copyright in both countries are different.

Section 53 of the Copyright Act is specifically about importation of infringing copies of works. It empowers the Registrar of Copyright to take certain action in this connection. The action will be set in motion by an application by the owner of the copyright in any work or by his duly authorised agent to the Registrar. The Registrar will, thereupon, be required to make such inquiry as he deems fit. After the inquiry, if he is satisfied, then he can order that copies made out of India of the work which if made in India would infringe copyright shall not be imported.

The Copyright Rules, 1958 has prescribed Form VI for the application to prohibit import of infringing copies. The applicant has to provide proof of infringement of copyright in the works in respect of which the order is sought. He also has to pay the prescribed fee which at present is Rs. 400 per work per place of entry. This application has to be submitted with an affidavit. He also has to give details about the country of origin of the infringing copies, name, address and nationality of the importer in India, name, address and nationality of the maker of the infringing copies, and expected time and place of import of the infringing copies into India.

The Section also empowers the Registrar of Copyrights or any person authorised by him in that behalf to enter any ship, dock or premise where any such suspected infringing copies may be found and may examine such copies. This is necessary to ascertain whether the alleged infringing copies are really infringing copies, although it will be subject to the final decision by a court.

The Act also provides that all copies whose import have been prohibited by the Registrar of Copyright will be deemed to be goods whose import has been prohibited or restricted under Section 11 of the Customs Act, 1962. This is, however, subject to the proviso that such confiscated copies will not remain with the government but shall be delivered to the owner of the copyright in the work.

### **Case Law**

The issue of prohibiting importing infringing copies of a copyrighted work came up in the case of *Birendra Bahadur v. Gramophone Co. of India Ltd.* [AIR 1984 SC 667] which went upto the Supreme Court. This case looked into the

meaning of 'import' under the Copyright Act and also the effect of treaties between India and Nepal in regard to transit of goods. The facts of the case were that a consignment of sound recordings reached Calcutta port on way to Nepal. Gramophone Company of India sought the intervention of the Registrar of Copyright on the ground that substantial part of the consignment contained pirated cassettes.

The Supreme Court observed the Treaty of Trade between India and Nepal provided and also Treaty on Transit provided exceptions to measures to prevent infringement of industrial, literary or artistic property. As to the meaning of the word 'import' the court had the following observations:

The question is what does the word 'import' mean in Section 53 of the Copyright Act? The word is not defined in the Copyright Act though it is defined in the Customs Act. But the same word may mean different things in different enactments and in different contexts. It may even mean different things at different places in the same statute. It all depends on the sense of the provision where it occurs. Reference to dictionaries is hardly of any avail, particularly in the case of words of ordinary parlance with a variety of well known meanings. Such words take colour from the context. Appeal to the Latin root won't help. The appeal must be to the sense of the statute. *Hidayatullah J in Burmah Shell etc v. Commercial Tax Officer*, [1961] 1 SCR 902 has illustrated how the contextual meanings of the very words 'import' and 'export' may vary.

We may look at Section 53, rather than elsewhere to discover the meaning of the word "import". We find that the meaning is stated in that provision itself. If we ask what is not to be imported, we find the answer is copies made out of India which if made in India would infringe copyright. So it follows that 'import' in the provision means bringing into India from out of India. That, we see in precisely how import is defined under the Customs Act. Section 2(23) of the Customs Act, 1962 defines the word in this manner: "Import, with its grammatical variation and cognate expression means bringing into India from a place outside India. But we do not propose to have recourse to Customs Act to interpret expressions in the Copyright Act even if it is permissible to do so because Section 53 of the Copyright Act is made to run with Section 11 of the Customs Act.

It was admitted by the learned counsel for the respondents that where goods are brought into the country not for commerce, but for onward submission to another country, there can, in law, be no import. It was said that the object of the Copyright Act was to prevent unauthorised reproduction of the work or the unauthorised reproduction of a work in India and this object would not be frustrated if infringing copies of a work were allowed transit across the country. If goods are brought in only to go out, there is no import, it was said. It is difficult to agree with this submission though it did find favour with the Division Bench of the Calcutta High Court, in the judgment under appeal. In the first place, the language of Section 53 does not justify reading the words 'imported for commerce for the words imported'. Nor is there any reason to assume that such was the object of the legislature. We have already mentioned the importation attached by International opinion, as manifested by the various International Conventions and Treaties, to the protection of Copyright and the gravity with which traffic in industrial, literary or artistic property is viewed, treating such traffic on par with traffic in narcotics, dangerous drugs and arms. In interpreting the word 'import'

in the Copyright Act, we must take note that while positive requirement of the Copyright Conventions is to protect copyright, negatively also, the Transit Trade Convention and the bilateral Treaty make exceptions enabling the Transit State to take measure to protect Copyright. If this much is borne in mind, it becomes bear that the word 'import' in Section 53 of the Copyright Act cannot bear the narrow interpretation sought to be placed upon it to limit it to import for commerce. It must be interpreted in a sense which will fit the Copyright Act into the setting of the International Conventions.

The Calcutta High Court thought that goods may be said to be imported into the country only if there is an incorporation or mixing up of the goods imported with the mass of the property in the local area. In other words the High Court realized on the original package doctrine' as enunciate by the American Court. Reliance was placed by the High Court upon the decision of this court in the Central India Spinning and Weaving & Manufacturing Co. Ltd; *The Empress Mills, Nagpur v. The Municipal Committee, Wardha* [1958] SCR 1102). That was a case which arose under the C.P. and Berar Municipalities Act and the question was whether the power to impose 'a terminal tax on goods or animals imported into or exported from the limits of a municipality' included the right to levy tax on goods which were neither loaded or unloaded at Wardha but were merely carried across through the municipal area'. This court said that it did not. The word 'import' it was thought meant not merely the bringing into but comprised something more, that is 'incorporating and mixing up of the goods with the mass of the property in the local area', thus accepting the enunciation of the 'Original Package Doctrine' by Chief Justice Marshall in *Brown v. State of Maryland* 6 L.Ed. 78. Another reason given by the learned Judges to arrive at the conclusion that they did, was that the very levy was a 'terminal tax' and, therefore, the words 'import and export', in the given context, had something to do with the idea of a terminus and not an intermediate Stage of a journey. We are afraid the case is really not of any guidance to us since in the context of a 'terminal tax' the words 'imported and exported' could be construed in no other manner than was done by the Court. We must however say that the 'original package doctrine' as enunciated by Chief Justice Marshall on which reliance was placed was expressly disapproved first by the *Federal Court in the Province of Madras v. Buddu Paidama*, [1942] FCR 90 and again by the *Supreme Court in State of Bombay v. F.N. Balsara*, [1951] SCR 682. Apparently, these decisions were not brought to the notice of the court which decided the case of Central India Spinning and Weaving and Manufacturing Co. Ltd. The Empress Mills Nagpur Municipal Committee, Wardha. So we derive no help from this case. As we said, we prefer to interpret the words 'import' as it is found in the Copyright Act rather than research for its meaning by referring to other than research statutes where it has been used.

The learned counsel for the appellant invited our attention to *Radhakishan v. Union of India* : [1965] 2 S.C.R. 213, *Shawhney v. Sylvania and Laxman*, 77 Bom. LR. 380, *Bernado v. Collector of Customs* A.I.R. 1960 Kerala 170, to urge that importation was complete so soon as the Customs barrier was crossed. They are cases under the Customs Act and it is needless for us to seek aid from there when there is enough direct light under the Copyright Act and the various conventions and treaties which have with the subject Copyright' from different angles. We do not also desire to crow our judgment with reference to the history of the Copyright and the Customs legislations in the United Kingdom and India as we do not think it necessary to do so in this case.

We have, therefore, no hesitation in coming to the conclusion that the word 'import' in Sections 51 and 53 of the Copyright Act means 'bringing into India from outside India', that it is not limited to importation for commerce only but includes importation for transit across the country. Our interpretation, far from being inconsistent with any principle of International law, is entirely in accord with International Conventions and the Treaties between India and Nepal. And, that we think is as it should be. We have said that an order under Section 53 may be made by the Registrar of Copyrights on the application of the owner of the Copyright, but after making such enquiry as the Registrar deems fit. On the order being made the offending copies are deemed to be goods whose import has been prohibited or restricted under Section 11 of the Customs Act. There upon the relevant provisions of the Customs Act are to apply, with the difference that confiscated copies shall not vest in the Government, but shall be delivered to the owner of the Copyright. One fundamental difference between the nature of a Notification under Section 11 of the Customs Act and an order made under Section 53 of the Copyright Act is that the former is quasi-legislative in character, while the latter is quasi-judicial in character. The quasi-judicial nature of the order made under Section 53 is further emphasised by the fact that an appeal is provided to the Copyright Board against the order of the Registrar under Section 72 of the Copyright Act. We mention the character of the order under Section 53 to indicate that the effect of an order under of the Copyright Act is not as portentous as a notification under Section 11 of the Customs Act. The Registrar is nor bound to make an order under Section 53 of the Copyright Act so soon as an application is presented to him by the owner of the Copyright. He has naturally to consider the context of the mischief sought to be prevented. He must consider whether the copies would infringe the Copyright if the copies were made in India. He must consider whether the applicant owns the Copyright or is the duly authorised agent of the Copyright. He must hear these claiming to be affected if an order is made and consider any contention that may be put forward as an excuse for the import. He may consider any other relevant circumstance. Since all legitimate defences are open and the enquiry is quasi-judicial, no one can seriously complain.

This order elucidates on the meaning of import as well as the powers and validity of the orders of the Registrar of Copyright under Section 53. Two points stand out from the judgement: One, import means brining into India from outside India and not limited to brining into India for commerce. Second, the orders of the Registrar under Section 53 are quasi judicial.

**Self Assessment Questions**

**(Spend 3 minutes each)**

4) What is the meaning of import in Section 53 of the Copyright Act?

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5) What are the powers of the Registrar of copyright under Section 53 of the Copyright Act?

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6) What is the procedure that the Registrar of Copyright should follow in issuing any order under Section 53?

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## **12.4 BORDER MEASURES AS PER CUSTOMS LAW**

### *Act*

As already stated in the above section, Section 53 of the Copyright Act refers to Section 11 of the Customs Act and require the action by the Registrar of Copyrights to be taken in conjunction with the customs authorities. Section 11 of the Customs Act, 1962 provides that if the Central Government is satisfied that it is necessary so to do for the purposes specified in that section, it may, by notification in the Official Gazette, prohibit either absolutely or subject to such conditions (to be fulfilled before or after clearance) as may be specified in the notification, the import or export of goods of any specified description. The specified purposes include, among other things, the protection of patents, trademarks and copyrights. Section 11(2) (u) covers prohibition for the prevention of the contravention of any law for the time being in force. This would extend to infringements of the Copyright Act, 1957. Section 111 and 113 of the Act empowers the Customs to confiscate improperly imported and exported goods respectively. However, Section 53 of the Copyright Act provides that in case of confiscated copyright infringing copies of works, the ownership shall not rest in government but with the owner of copyright in that work.

In pursuance of the Act, the Government issued a Notification on 8 May 2007, under the powers it has as per Section 11 of the Customs Act, prohibiting the import of the following goods, subject to conditions and procedures as specified in the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, namely,

- 1) goods having applied thereto a false trademark as specified in Section 102 of the Trademarks Act, 1999;
- 2) goods having applied thereto a false trade description within the meaning of clause (i) of Sub-section (1) of Section 2 of the Trademarks Act, 1999;

- 3) goods made or produced beyond the limits of India and intended for sale, and having applied thereto a design in which copyright exists under the Designs Act, 2000;
- 4) the product made or produced beyond the limits of India and intended for sale for which a patent is in force under the Patents Act, 1970;
- 5) the product obtained directly by the process made or produced beyond the limits of India and intended for sale, where patent for such process is in force under the Patents Act 1970;
- 6) goods having applied thereto a false Geographical Indication within the meaning of Section 38 of Geographical Indications of Goods (Registration and Protection) Act, 1999;
- 7) goods which are prohibited to be imported by issuance of an order issued by Registrar of Copyrights under Section 53 of the Copyright Act, 1957.

### **Rules**

In exercise of the powers conferred by Sub-section (1) of Section 156 of the Customs Act, 1962 (52 of 1962), read with clauses (n) and (u) of Sub-section (2) of Section 11 of the said Act, the Central Government issued the Intellectual Property Rights (Imported Goods Enforcement Rules, 2007) on 8 May 2007. These Rules provide for a registration mechanism with the Customs Authority to legally intercept and restrict the intrusion of parallel imports into the official and authorised channels of trade.

As per the Rules, the Customs Authority is empowered and authorised to intercept, seize and confiscate goods found to be or suspected to be infringing intellectual property rights registered and in-force in India. Registration of the intellectual property right with the Customs Authority will enable the Customs Authority to store the IPR in their electronic database which will be flashed across all entry points in India. The Rules apply to imported goods and not to export goods.

‘Goods infringing intellectual property rights’ means any goods which are made, reproduced, put into circulation or otherwise used in breach of the intellectual property laws in India or outside India and without the consent of the right holder or a person duly authorised to do so by the right holder;

‘Intellectual property’ means copyright as defined in the Copyright Act, 1957, trade mark as defined in the Trademarks Act, 1999, patent as defined in the Patents Act, 1970, design as defined in the Designs Act, 2000 and geographical indications as defined in the Geographical Indications of Goods (Registration and Protection) Act, 1999;

The term ‘right holder’ covers owners and exclusive licensees. It will also cover copyright societies.

The procedure laid down in the Rules for registration is as below:

- a) A right holder may give notice in writing to the Commissioner of Customs or any Customs officer authorised in this behalf by the Commissioner, at the port of import of goods infringing intellectual property rights, requesting for suspension of clearance of goods suspected to be infringing intellectual property right.

- b) The notice in respect of goods infringing intellectual property rights is to be given in the prescribed format .
- c) Every such notice shall be accompanied by a document as specified by the Commissioner, evidencing payment of application fee of Rs. 2000 (two thousand rupees only).
- d) If any of the information as required is not provided, the Deputy Commissioner of Customs or Assistant Commissioner of Customs may, as the case may be, ask the right holder or his authorised representative to provide the same within 15 days, which may be extended on sufficient reasons being shown.
- e) The right holder shall inform customs authority when his intellectual property ceases to be valid or if he ceases to be the owner of such intellectual property right
- f) Within 30 working days from the date of receipt of the notice or from the date of expiry of the extended time, as the case may be, the Commissioner shall notify the applicant whether the notice has been registered or rejected.
- g) In a case where the notice has been registered, the Commissioner shall indicate the validity period of the registration during which assistance by Customs shall be rendered. The minimum validity period shall be one year unless the person who gives the notice or right holder requests for a shorter period for customs assistance or action.
- h) The Commissioner granting the registration of the notice shall inform, immediately through a letter by speed post or through electronic mode, all Custom offices covered by the notice of the details of the notice.

The grant of registration is subject to following conditions, namely,

- a) the right holder or his authorised representative shall execute a bond with the Commissioner of Customs for such amount with such surety and security as deemed appropriate by the Commissioner, undertaking to protect the importer, consignee and the owner of the goods and the competent authorities against all liabilities and to bear the costs towards destruction, demurrage and detention charges incurred till the time of destruction or disposal, as the case may be
- b) the right holder shall execute an indemnity bond with the Commissioner of Customs indemnifying the Customs authorities against all liabilities and expenses on account of suspension of the release of allegedly infringing goods.

After the grant of the registration of the notice by the Commissioner on due examination, the import of allegedly infringing goods into India will be deemed as prohibited within the meaning of Section 11 of the Customs Act, 1962.

The following are the procedures of Interception of Infringing goods by the Customs authorities, namely the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be :

- a) Where the Commissioner, based on the notice given by the right holder has a reason to believe that the imported goods are suspected to be goods infringing intellectual property rights, he shall suspend the clearance of the goods.
- b) The Rules also provide for suo motu action by the Customs as it says, the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may, on his own initiative, suspend the clearance of goods, in respect of which he has prima-facie evidence or reasonable grounds to believe that the imported goods are goods infringing intellectual property rights.
- c) The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall immediately inform the importer and the right holder or their respective authorised representatives through a letter issued by speed post or through electronic mode of the suspension of clearance of the goods and shall state the reasons for such suspension.
- d) Where clearance of the goods suspected to be infringing intellectual property has been suspended and the right holder or his authorised representative does not join the proceedings within a period of ten working days from the date of suspension of clearance leading to a decision on the merits of the case, the goods shall be released provided that all other conditions of import of such goods under the Customs Act, 1962, have been complied with:

Provided that the above time-limit of ten working days may be extended by another ten days in appropriate cases by the Commissioner or an officer authorised by him in this behalf.

- e) Where the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, has suspended clearance of goods on his own initiative and right holder does not give the notice as contemplated in the Rules or does not fulfil the obligation under the Rules, within five days from the date of suspension of clearance, the goods shall be released provided that all other conditions of import of such goods under the Customs Act, 1962, have been complied with.
- f) Where the clearance of goods has been suspended, customs may, where it acts on its own initiative, seek from the right holder any information or assistance, including technical expertise and facilities for the purpose of determining whether the suspect goods are counterfeit or pirated or otherwise infringe an intellectual property right.
- g) Where the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, has suspended clearance of goods on his own initiative and right holder has given the requisite notice under the Rules and fulfilled the obligations under the Rules, but, the right holder or his authorised representative does not join the proceedings within a period of ten working days from the date of suspension of clearance leading to a decision on the merits of the case, the goods shall be released provided that all other conditions of their import under the Customs Act, 1962, have been complied with:

the request of the right holder, not exceeding another twenty working days, he shall be deemed to have concurred with the mode of disposal as proposed by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be:

The Rules also provide that that the costs toward destruction, demurrage and detention charges incurred till the time of destruction or disposal, as the case may be, shall be borne by the right holder.

The Rules very specifically provides that the re-exportation of the goods infringing intellectual property rights in an unaltered state will not be allowed.

The Customs may retain samples of goods infringing intellectual property rights prior to their destruction or disposal and provide the same to the right holder or importer if such samples are needed as evidence in pending or future litigations.

As per the exception provided under the TRIPS Agreement, the Rules exempt goods of a non-commercial nature contained in personal baggage or sent in small consignments intended for personal use of the importer.

The Rules are framed on the pattern of the Model Rules in this regard made by the World Customs Organisation.

Few cases of trademark infringement already took place under the Rules.

**Self Assessment Questions**

**(Spend 3 minutes each)**

7) Which provisions of the Customs Act and the Copyright Act enable customs authorities to take border measures in regard to infringement of copyright?

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8) Which Rules deal with border measures in regard to infringement of copyright in India?

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9) What is the procedure for registration of a notice for interception of an infringing work with the customs?

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## 12.5 SUMMARY

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In this Unit we have seen the various provisions in the Copyright Act and the Customs act regarding border measures to prohibit entry of infringing copies of works from abroad to India.

Piracy of copyrighted works is not restricted to domestic market. It is an international phenomenon. Therefore, international treaties have provided for measures to be taken at the borders by countries to prevent pirates getting a market in their country.

Article 16 of the Berne Convention provides that infringing copies of a work shall be liable to seizure in any country of the Union where the work enjoys legal protection. The provision is also applicable to reproductions coming from a country where the work is not protected or has ceased to be protected. Article 13 of the Berne Convention also provides for seizure of certain copies. This Article permits countries to impose reservations and conditions on the exclusive right granted to the author of a musical work and the lyric that is included in the musical work, to authorise the sound recording of that musical work together with the lyric.

The TRIPS Agreement recognises that enforcement at source will not always be possible and provide for detailed border enforcement procedures that will enable right holders to obtain the cooperation of customs administrations so as to prevent the release of infringing imports into free circulation. The special requirements related to border measures are contained in Articles 51 to 60 of the Agreement. Article 51, entitled "Suspension of Release by Customs Authorities," provides the basis of this Section of the TRIPS Agreement, stating in part that "Members shall, in conformity with the provisions set out below, adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods." The remaining nine Articles provide detailed guidelines with which such border measures must conform, concerning, in particular, application for suspension of release by customs authorities (Article 52), requirement for security or equivalent assurance (Article 53), notification of the importer and the applicant (Article 54), duration of the suspension (Article 55), indemnification of the importer and of the owner of the goods (Article 56), the right of the right holder to inspection of the goods and information concerning the importers and of the quantity of goods (Article 57), procedures where actions are taken ex officio (Article 58), disposal or destruction of the goods (Article 59) and permitted exclusion from these procedures of certain small quantities of goods of a non-commercial nature (Article 60).

The Copyright Act of India in Section 51 has made importing into India of any infringing copy of a work an infringing act. The exception to this is the import of one copy of any work for the private and domestic use of the importer. Section 53 bestows necessary powers on the Registrar to prevent import of infringing copies of any work to India.

Infringing copy means a copy if it was made in India would have been an infringing copy and not that it was necessarily an infringing copy in the country from which it is being imported. The Act also provides that all copies whose import have been prohibited by the Registrar of Copyright will be deemed to be goods whose import has been prohibited or restricted under Section 11 of the Customs Act, 1962. This is, however, subject to the proviso that such confiscated copies will not remain with the government but shall be delivered to the owner of the copyright in the work. The powers of the Registrar, in this regard have been confirmed by the supreme court which also clarified that the word 'import' in Sections 51 and 53 of the Copyright Act means 'bringing into India from outside India', that it is not limited to importation for commerce only but includes importation for transit across the country.

Customs Act, 1962 prohibits import of goods that infringe intellectual property. As per a notification under Section 11 of the customs Act in May 2007, the Government prohibited the import goods which are prohibited to be imported by issuance of an order issued by Registrar of Copyrights under Section 53 of the Copyright Act, 1957.

The Central Government also notified 'Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007' with a view to strengthen the statutory and executive guidelines provided for the protection of intellectual property rights at the borders. It provides for registration of copyright ownership details with the Customs. Under the rules, an intellectual property right holder may give notice in writing to the Customs Commissioner requesting for suspension of clearance of goods suspected to be infringing intellectual property rights. Such notice should be registered or rejected within 30 working days of the date of receipt of the notice or date of expiry of extended 15 days period provided for furnishing information required to be filed with the notice. In case the notice is registered, the minimum validity period shall be one year unless the applicant or right holder requests for a shorter period for customs assistance or action.

If the Deputy/Assistant Commissioner of Customs has a reason to believe that the imported goods are suspected to be goods infringing intellectual property rights, Custom Authorities can suspend clearance of suspected goods. Thereafter, the Deputy/Assistant Commissioner of Customs shall immediately inform the importer and the right holder of the suspension of clearance of the goods and shall also mention the reasons for such suspension. However the suspension goods can be released if the right holders fail to join the proceedings within a period of ten working days (extendable by another 10 days) from the date of suspension of clearance. In case the clearance of goods was suspended on Customs own initiative, such goods shall be released within five working days from the date of suspension of clearance, if the right holder fails to give notice or fails to execute the bond. In case of perishable goods, the period of suspension of release is three working days, extendable by another four days.

In case the Deputy/Assistant Commissioner of Customs determines that the goods detained or seized have infringed intellectual property rights, and have been confiscated under Section 111 (d) of the Customs Act, 1962, he shall destroy such goods under official supervision or dispose them outside the normal channels of commerce after obtaining 'no objection' or concurrence of the right holder. The right holder can raise objection on the mode of disposal within 20 working days (extendable by another 20 days) after having been informed so.

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## 12.6 TERMINAL QUESTIONS

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- 1) What are the provisions regarding border measures in the Berne convention for the Protection of Literary and Artistic works?
- 2) What are the obligations of countries regarding border measures on copyright as per the TRIPS Agreement?
- 3) What is the meaning of 'import' in the Copyright Act?

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## 12.7 ANSWERS AND HINTS

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### Self Assessment Questions

- 1) Refer to Section 12.1
- 2) Refer to Section 12.1
- 3) Refer to Section 12.1
- 4) Refer to Sub-section 12.3.1
- 5) Refer to Sub-section 12.3.1
- 6) Refer to Sub-section 12.3.1
- 7) Refer to Section 12.4
- 8) Refer to Section 12.4
- 9) Refer to Section 12.4

### Terminal Questions

- 1) Refer to Sub-section 12.1.1
- 2) Refer to Sub-section 12.1.2
- 3) Refer to Section 12.3

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## 12.8 REFERENCES AND SUGGESTED READINGS

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- 1) International Copyright and Neighbouring Rights by S. M. Stewart.
- 2) Principles of Intellectual Property by N.S. Gopalakrishnan and T.G. Agitha.
- 3) Copyright and Industrial Designs by P. Narayanan.
- 4) Copinger and Skone James on Copyright.
- 5) Lal's Commentary on Copyright Act.
- 6) Iyengar's The Copyright Act, 1957.

**51. When copyright infringed.**

*Copyright in a work shall be deemed to be infringed-*

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*(b) when any person-*

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*(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.*

**53. Importation of infringing copies.**

1) *The owner of any right conferred by this Act in respect of any work or any performance embodied in such work, or his duly authorised agent, may give notice in writing to the Commissioner of Customs, or to any other officer authorised in this behalf by the Central Board of Excise and Customs,—*

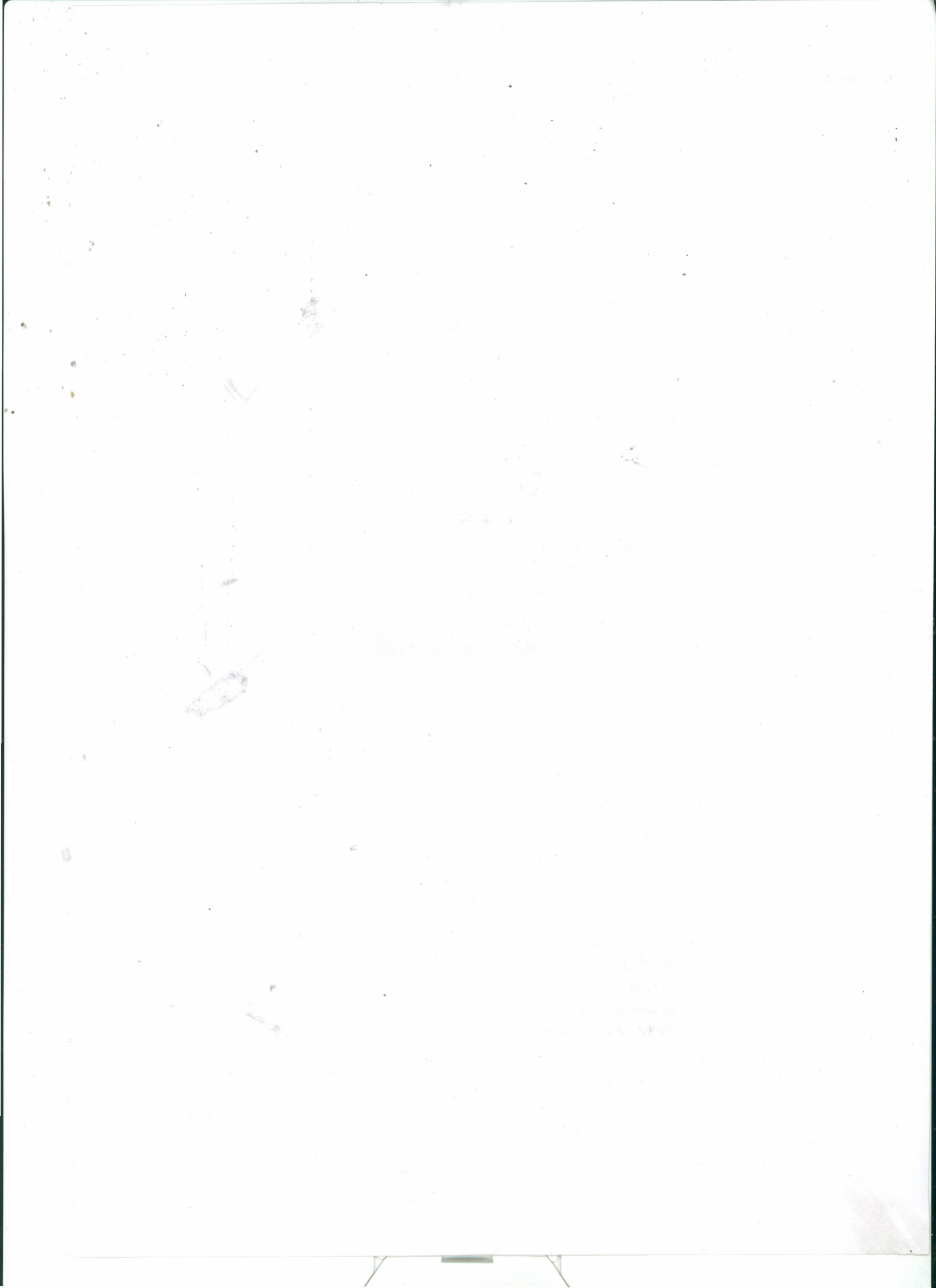
- a) *that he is the owner of the said right, with proof thereof; and*
- b) *that he requests the Commissioner for a period specified in the notice, which shall not exceed one year, to treat infringing copies of the work as prohibited goods, and that infringing copies of the work are expected to arrive in India at a time and a place specified in the notice.*

2) *The Commissioner, after scrutiny of the evidence furnished by the owner of the right and on being satisfied may, subject to the provisions of sub-section (3), treat infringing copies of the work as prohibited goods that have been imported into India, excluding goods in transit:*

*Provided that the owner of the work deposits such amount as the Commissioner may require as security having regard to the likely expenses on demurrage, cost of storage and compensation to the importer in case it is found that the works are not infringing copies.*

3) *When any goods treated as prohibited under sub-section (2) have been detained, the Customs Officer detaining them shall inform the importer as well as the person who gave notice under sub-section (1) of the detention of such goods within forty-eight hours of their detention.*

4) *The Customs Officer shall release the goods, and they shall no longer be treated as prohibited goods, if the person who gave notice under sub-section (1) does not produce any order from a court having jurisdiction as to the temporary or permanent disposal of such goods within fourteen days from the date of their detention.*



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