

REMEDIES FOR INFRINGEMENT OF COPYRIGHT IN INDIA: THE ADEQUACY OR INADEQUACY THEREOF

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The existence of a right is meaningless unless an effective remedy is provided for redressing its violation. In case of infringement in India, a copyright owner is entitled to certain remedies under the Copyright Act, 1957. There are three types of remedies available for infringement under the Act:

- Civil remedies
- Administrative remedies, and
- Criminal remedies

CIVIL REMEDIES

The civil remedies for infringement of copyright are of two kinds:

- preventive civil remedies, and
- compensatory remedies

Preventive civil remedies

These remedies are used prior in time to the occurring of the actual act of infringement or before the damage ensues. These are, for this reason, also the most popular among the remedies.

Interlocutory injunction

Injunction is the most important remedy against the copyright infringement. Injunction means a judicial process by which one who is threatening to invade 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.

The copyright owner normally wants speedy and effective relief to prevent further infringements of his copyright and further damage to his business and cannot afford simply to wait for years until the full trial takes place. As a consequence, the law provides interim relief to the plaintiff by way of grant of interlocutory injunction. The plaintiff who gets an interlocutory injunction has tremendous advantage because the defendant is stopped dead in his tracks. The grant of his remedy is within the discretion of the trial court. The discretion exercised by the court is a judicial one which is governed by rules. It is not arbitrary, vague and fanciful but legal and regular¹

In United States, a standard four part test was setup in a case for granting an interlocutory injunction:

- Whether the plaintiff will have an adequate remedy at law or will be irreparably harmed if the injunction is not issued.
- Whether the threatened injury to the plaintiff outweighs the threatened harm the injunction might inflict on the defendant.
- Whether the plaintiff has at least as reasonable likelihood of success on the merits; and
- Whether the granting of an interlocutory injunction will disserve the public interest.²

In United Kingdom, the usual approach was to consider whether the plaintiff has made out a *prima facie* case of his copyright infringement, taking account of the apparent merits of the defence that the defendant proposed to establish at the trial.³ If a *prima facie* case was established, the court considers whether the balance of convenience lies in

¹ *Harbuns v. Bhairo*, I.L.R. 5C 259 (P.C.)

² *Atari Inc. v. North America Philips Consumer Electronics Corpn.*, 672 F 2d 607, 613 (7th cir 1932)

³ *Hubbard v Vosper*, I All E.R. (1972) at 1023.

favour of restraining the defendant until the trial or in leaving the plaintiff to recover damages at the trial for any infringements by the defendant in the intervening period.⁴

The Courts in India have also relied upon a similar three pronged test for the purpose of granting interlocutory or temporary injunction in such cases involving infringement

Mareva injunction

There is a particular form of interlocutory injunction which is known as *Mareva* injunction, the purpose of which is to restrain the defendant from disposing of assets which may be required to satisfy the plaintiff or claim or removing them from the jurisdiction of the court. *Mareva* injunction was granted in *CBS v. Lambert*⁵ where the principal assets, however, were cars and the order including a provision requiring the defendant to disclose their whereabouts. The prevention of disposal is not of much use if the plaintiff cannot locate the assets when it comes to seek to enforce any final judgment obtained. Therefore, such injunctions are usually sought *ex parte*.

In India, Copyright Act, 1957 provides the remedy of interlocutory injunction against the infringement of copyright.⁶ Interlocutory injunction is granted under order XXXIX. Rules 1 and 2 of the Code of Civil Procedure, 1908. The principles laid down in English precedents are frequently relied upon and followed in India.

In *Macmillan and Company Ltd. v K and J Cooper*⁷, it was held that the plaintiffs have made out a prima facie case for the issue of a temporary injunction under Order XXXIX. Rule 2 of Civil Produce Code against defendant who brought out a book containing selection from plaintiff's book. It was held in this case that there was a prime facie case

⁴ W.R. Cornish, *Intellectual Property: Patents, Copyright, Trademarks and Allied Rights*, p. 35-39 (London: Sweet & Maxwell, 1989)

⁵ 1983 F.S.R 127

⁶ Section 55, Copyright Act 1957.

⁷ A.I.R. 1924 P.C. 75.

for the issue of a temporary injunction. The injunction, of course holds good only during the pendency of the proceeding before the trial court.⁸

It is settled law that in granting interlocutory injunction, three factors are taken into consideration. First, the establishment of a prima facie case, second, the balance of convenience in the favour of plaintiff and finally irreparable injury would be caused to plaintiff if interlocutory injunction was not granted.

The relief of injunction is founded on equity and it can't be sought as a matter of right. It is also liable to be refused where the court found that plaintiff had approached it with unclean hands by suppressing material facts and had acted in an unfair and inequitable manner.⁹ But where his claim appears to be *bona fide*, his rights would have to be preserved pending adjudication of his claim in the suit because the purpose is to mitigate injustice to him and avoid the possibility of his being non-suited.

The Supreme Court in *Gujarat Bottling Company Ltd. v. Coca Cola Company*¹⁰ observed: "The decision whether or not to grant an interlocutory injunction has to be taken at time when the existence of the legal right assailed by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. Relief by way of interlocutory injunction is granted to mitigate the risk of injustice to the plaintiff during the period before that uncertainty could be resolved. The object of the interlocutory injunction is to protect the plaintiff against injury by violation of his right for which he could not be adequately compensated in damages recoverable in his favour at the trial. The need for such protection has however, to be protected against injury resulting from his having been prevented from exercising his own legal right for which he could not be adequately compensated. The court must weigh one need against another and determine where the balance of conveniences lies."

As the power to grant or refuse an ad interim injunction is discretionary, the appellate courts normally do not interfere in the exercise of the discretion by the

⁸ *G.G. Harrap and Co. Ltd. v. Hatbanshah Kalra*, A.I.R. 1988 Delhi 68 at 70; see also *Mirabai Films Pot. Ltd. v. Siti Cable Network and Others*, 2003 (26) P.T.C. 473 (Del.) (D.B.) at 476.77

⁹ *Media Transasia Ltd. & Another v. Indian Airlines Ltd. & Others*, 2003 (26) P.T.C. 294 (D.B.) (Del.)

¹⁰ A.I.R. 1995 S.C. 2372.

subordinate court. The appellate court will not normally reassess the material on record before that court and substitute its view to grant or refuse a temporary injunction. It will also not disturb the order in this regard even where a contrary view or conclusion is possible. But, at the same time, the appellate court will not hesitate to intervene where the impugned order is found to have ignored the settled principles of Law regulating grant or refusal of interlocutory injunction or where it proceeded on non- appreciation of nature of controversy or the material on record.¹¹

In *Mirabai Films Pvt. Ltd v. Siti Cable Network and others*¹², the appellant was the producer of the film 'Monsoon Wedding' and respondents were cable television operators providing cable television network, cable Internet access and other several related services in several parts of the country through their associate/subsidiary companies, distributors, franchisees, assignees, head ends and cable operators. The appellant alleged that respondents were habitual offenders in telecasting pirated copies of films and were out to do so in case 'Monsoon Wedding' also and if not restrained, it would cause irreparable injury and loss to the appellant. The court while granting temporary injunction to the appellant held: "we have no doubt that appellant had done its part as it claims that it owned the film's copyright and enjoyed its exclusive right to deal with it, be that in its marketing, distribution or selling it or communicating it by whatever means including through cable networks in the films or any right to indulge in its exhibition or communication had gone uncontroverted in the absence of respondent's written statement. So has its plea that the balance of convenience was on its side and that it would suffer irreparable loss and injury even by a single telecast of respondents and their distributor, franchisees which could reach several lakhs of homes at one time."¹³

In *Khajanchi Film Exchange and Another v. State of M.P. and others*¹⁴, the appellant alleged that producers have not released video rights of film 'Kabhi Khushi Kabhi Gam', therefore, violation of copyright by illegal duplication of film and screening thereof

¹¹ See *Wander Ltd. v. Antox India Pvt. Ltd*, 1991 PTC 1 (S.C.).

¹² 2003 (26) P.T.C. 473 Del. (D.B.)

¹³ *Id.* at 477.

¹⁴ 2003 (26) P.T.C 183 (M.P.) (D.B.)

would cause them immense financial disadvantage. A writ petition was filed by appellants seeking mandamus against 55 respondents. The M.P. High Court dismissing the writ petition concluded that the film was released on December 14, 2001. Writ petition was filed on November 28, 2001, 16 days before the release of the film. Appellants had enough time to approach the authorities/police and later for the respondents giving their reaction to the grievance and how it was ready to deal with matter. Therefore, unless the demand was put across and reaction awaited for some time, moving the court was premature and unsustainable.

In *Barbara Taylor Bradford v Sahara Media Entertainment Ltd.*¹⁵, the plaintiff sued defendants for infringement of her copyright in 1979 best seller "A women of substance". The division Bench of Calcutta High Court while applying the ratio of *Fraser v Euans*¹⁶, observed: "... We do not know what the serials are going to be like; we do not know the situations which will be shown. We do not know the scenes which will be displayed. We do not know the details of storyline. All that we know is that one of the team of persons engaged in production, which is quite a large team has said to a certain fishing journalist that there are some characters which are as per the book of the plaintiff No. 1 and that the serials have been based on the book and Indianised and adapted. This is simply not enough."

The court held that the interlocutory application was premature. The plaintiff would hardly suffer any loss of value of her book if 15 or 20 out of 800 episodes were shown. If an injunction was obtained after 15/20 episodes, the plaintiff would get practically full relief. Thus, the balance of convenience lay in favour of defendants.

In *Prentice Hall India Pvt. Ltd. v. Prentice Hall lac. & others*¹⁷ defendant no. 1 was the owner of publications in question in which the plaintiff was seeking to claim copyright without any individual agreements having been entered into. It was the case of owner versus so called assignee of the copyright. The title of defendant no. 1 was not in dispute

¹⁵ 2004 (28) P.T.C. 474 (Cal.) (D.B.)

¹⁶ 1969 (1) Queen's Bench 349.

¹⁷ 2002 (25) P.T.C. 511 (Del.).

whereas the copyright of the plaintiff was in dispute. The Delhi High Court held: “..... the grant of ad interim injunction in favour of the plaintiff at this stage would mean decreeing the suit itself.”

Acquiescence or delay on the plaintiff's part disentitles him to an interlocutory injunction. *In Media Transasta Ltd. & Another v. Indian Airlines Ltd. & Others*¹⁸, the appellants, inspite of possessing the information regarding respondents' activities, did not take immediate legal action. The suit was filed only towards the end of July, 2002 by which time a new contract was born and third party rights had been created in favour of respondent no. 3. The delay in filling the suit, therefore, proved fatal and interim injunction was denied to the appellants.

The provisio to Section 55(1) of the Copyright Act, 1957 provides that if the defendant proves that at the date of 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.

In case if the work is very large and the pirated portion can be separated from the unobjectionable portion, the pirated work will be stopped from publishing but where pirated work cannot be separated from lawful work the court will not hesitate in granting injunction to restrain the publication of the whole work.¹⁹

Permanent injunction: If the plaintiff succeeds at trial in establishing infringement of copyright, he will normally be entitled to a permanent injunction to restrain future infringements. This injunction will operate only during the unexpired term of copyright.

For the entitlement of the final injunction plaintiff need not prove actual damage. If the plaintiff proves that his copyright has been infringed, the court will grant an

¹⁸ 2003 (26) PTC 294 (D.B.) (Del.).

¹⁹ *Ghaffur Bux v. Jwala Prasad*, (1921) Indian Law Reports, 43 All. 412.

injunction without proof of actual damage. But at the same time the plaintiff must show that there is a probability of damage, that this is not, simply trivial.²⁰

In *Hawkins Cookers Ltd. v. Magicook Appliances Co.*²¹, the Delhi High Court granted permanent injunction to the plaintiff by restraining defendants from dealing in any manner, whatsoever with their cook books having passages reproduced from the cook books of the plaintiff.

When can permanent injunction be refused?: Normally, the court will refuse injunction in the circumstances where: (i) there is no evidence that the defendant has done or threatens to do anything which would interfere with the enjoyment of any right, vested in the plaintiff, or (ii) invasion of the right, if any, of the plaintiff, is of a theoretical nature, which would at the most give the plaintiff at right to claim nominal damages, or (iii) the injunction would inflict far more injury on the defendant than the advantage which the plaintiff could derive from it.²²

Anton Piller Orders: In certain cases, the courts in United Kingdom make orders *ex parte* on the application of the plaintiff after a hearing in camera and in the absence of defendant, permitting the plaintiff and his solicitor to inspect the defendant's premises. The order enables the plaintiff's solicitor to take possession of infringing copies and documents and other relevant materials or require the defendant to keep infringing stock, thus securing or preserving the evidence. The order is known as 'Anton Piller Order' named after one of the first reported cases in which such an order was made.²³

Anton Piller order is not a search warrant. It only authorizes entry and inspection by permission of the defendant. Entry without defendant's permission in defendant's premises would be a trespass. The defendant is, however, ordered by the court *in personam* to give his permission with the result that if he doesn't do so, he is in contempt of court, but the plaintiff is still not entitled to enter in the absence of permission.²⁴

²⁰ E.P. Skone James et. al., *Copinger and Skone James on Copyright*, p.340 (London: Sweet & Maxwell, 1991).

²¹ A.I.R 2003 Del. 191.

²² Satyawrat Ponshe, *The Management of Intellectual Property*, p.305 (Pune: Bhat & Ponshe Publication, 1991).

²³ *Anton Piller K.G. v. Manufacturer Processes Ltd. & Others*, (1976) R.P.C. 719.

²⁴ E.P. Skone James et. al., *Copinger and Skone James on Copyright*, p.332-33 (London: Sweet & Maxwell, 1991).

Conditions for making Anton Piller Order: An Anton Piller order is only made in the most extreme circumstances. It is frequently accompanied by a *Mareva* injunction. The combination of the two could have a drastic effect on the defendant's business. Therefore, three conditions must be satisfied before the court makes the order. These are:

- The plaintiff must show that he was having an extremely strong *prima facie* case.
- The plaintiff must show that he has suffered, or is likely to suffer very serious and irreparable damage if an order is not made, and
- There must be clear evidence that the defendant has in his possession incriminating documents or things and that there is a real possibility of its being destroyed by defendant before and after the *inter partes* application is made.

If the plaintiff or his solicitor misuses the order, the defendant is entitled to claim damages from the plaintiff.²⁵ The Anton Piller order survived its legality in a challenge in the European Court of Human Rights in *Chappell v. United Kingdom*.²⁶

Compensatory civil remedies

Compensatory civil remedies against the infringement of copyright can be divided into three parts:

- Damages for concession;
- Delivery up of infringing copies; and
- Account of profits.

Damages as a compensatory remedy: The purpose of an award of damages is to restore the plaintiff to his position before the infringement. Such damages are therefore compensatory.

Copyright infringement is a tort and the overriding principle in tort law is that damages should be compensatory.²⁷ Damages in tort aim to put the victim back to his

²⁵ *Columbia Pictures v. Robinson*, 1987 Ch. 38.

²⁶ 1989 F.S.R 617.

²⁷ Gerald Dworkin quoted in Stephen M. Stewart, *International Copyright and Neighbouring Rights*, p. 517 (London : Butterworth & Co. Ltd. 1989).

position before the tort. If infringement is established, damages are presumed.²⁸ Nominal damages are always awarded where a legal right has been infringed irrespective of the actual damage.²⁹ Generally, the damages are for an amount that the defendant would have paid had he got the licence from the copyright owner. Some more factors will also be taken into consideration to assess the damages, e.g., diminution of the sales of copyright owner's work, or the loss of profit which he might otherwise have made. The fact that the pirated work may have injured the reputation of the copyright owner is also a fact that may be taken into consideration in assessing the damages.³⁰

Additional Damages: In United Kingdom, the court has power, having regard to all circumstances and in particular to the flagrancy of the infringement and any benefit accruing to the defendant by reason of the infringement, to award such additional damages as the justice may require. Additional damages may also be awarded where the conduct of the defendant has been deceitful and treacherous. In addition, the injury to the plaintiff's feelings and the indignities and distress the plaintiff has suffered is also to be taken into consideration while granting additional damages.³¹

In India, there is no provision in the Copyright Act, 1957 for the award of additional damages in special circumstances such as flagrancy of the infringement or the fortune reaped by the defendant by his misdeed. However, there is no bar for courts in India to award exemplary or punitive damages in appropriate cases.

Delivery up: damages for conversion: Damages for conversion as defined by Lord Atkin in *Laneashire and Yorkshire Railway v. Mac Nicoll*³², are damages for dealing with goods in a manner inconsistent with the rights of the true owner, provided that it is also established that there is an intention on the part of the defendant, in so doing, to deny the owner's right, or to assert a right which is inconsistent with owner's right.

²⁸ *Moore v Clarke* (1842) 11 LJ Ex. 286.

²⁹ *Constantine v. Imperial London Hotels Ltd.*, 2 ALL E.R. (1944) at 171.

³⁰ E.P. Skone James et. al., *Copinger and Skone James on Copyright*, p.343 (London: Sweet & Maxwell, 1991)

³¹ A.I.R. 2001 Del. 258 at 344.

³² (1919) 88, LJ. KB. 601 at 605.

In India, the Copyright Act, 1957 provides that all infringing copies of any work in which copyright subsists and all plates used or intended to be used for production of such copies shall be deemed to be the property of the owner of the copyright. It then entitles him to take proceedings for the recovery of possession of the infringing copies and plates or in respect of the conversion thereof.³³

In a claim for damages for conversion it is a defence if the defendant proves that at the time of conversion of infringing copies he was not aware and had no reasonable grounds for believing that copyright subsisted in the work or that he had reasonable grounds for believing that such copies do not infringe the copyright in the work.

The remedies of claiming recovery of possession of infringing copies or damages for conversion thereof are not available in respect of the construction of a building or structure which infringes or which, if completed, would infringe the copyright in some other work.³⁴ The remedies of damages for infringement of copyright and for conversion, are cumulative and not alternative. The court may provide both the remedies in the appropriate cases.

Account of Profits: As a corollary to the injunction, equity may, in appropriate cases, require a defendant to account to a plaintiff for profits made from wrong doing such as the infringement of copyright. Thus, the plaintiff is entitled to require the defendant to account for the profits made by him by his infringement of former's copyright. This is not a notional computation as with damages, but an investigation of actual accounts. The account is of net profits, i.e., the sale price of infringing article as deducted by the manufacturing and delivery cost. In *Mohan Lal Gupta v. The Board of School Education, Haryana*³⁵, the defendant was ordered to pay 20% of the profits to the plaintiff as the matter copied was less than one - tenth of the book.

A plaintiff is entitled to opt for damages or for an account of profits. He cannot obtain both an account of profits and damages. The basis on which an account is ordered

³³ Section 58, Copyright Act, 1957.

³⁴ *Id.* Section 59.

³⁵ 1978 I.P.L.R 83.

is that there should not be any unjust enrichment of the defendant and that the defendant should be deprived of any profit which he earned by wrongful acts committed in breach of the plaintiff's right.³⁶

The plaintiff would be refused an account of profits if there are no profits. In such a case the plaintiff may elect to claim damages and he would be bound by an election once made. The distinction between an account of profits and damages is that by the former the infringer is required to give up his ill-gotten gains to the party whose rights he has infringed whereas by the latter he is required to compensate the party wronged for the loss he has suffered.³⁷

Civil remedies under TRIPS Agreement

Unlike other treaties on intellectual property rights, the TRIPs Agreement lays down comprehensive provisions for the enforcement of intellectual property rights. The Agreement provides for civil, administrative and criminal remedies for the infringement of intellectual property rights. The Agreement obliges Members to adopt procedures concerning enforcement of intellectual property rights which should be fair and equitable. Further, the procedures should not be unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays.³⁸ The procedures shall not impose overly burdensome requirements concerning mandatory personal appearances.

The TRIPS Agreement provides for the following remedies.

Injunctions: Article 44 of the Agreement provides that the judicial authorities in a Member State shall have the authority to order a party to desist from an infringement. *Inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods.

Provisional Measures: The judicial authorities in Member States shall have the authority to order prompt and effective measures:

³⁶ E.P. Skone James et. al., *Copinger and Skone James on Copyright*, p.353 (London: Sweet & Maxwell, 1991)

³⁷ *Aroind Laboratories v VA Samy Chemical Works*, 14 P.T.C. 1994 Mad 223.

³⁸ Article 41(2), TRIPs Agreement.

- To prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance.
- To preserve relevant evidence in regard to the alleged infringement.

The Agreement also provides that judicial authorities in the Member States shall have the authority to adopt provisional measures *inaudita altera parte* where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed. This means that in cases where there is a demonstrable risk of evidence being destroyed or delay may cause irreparable – harm to applicant, the court may adopt provisional measures without hearing the other party. The applicant may be required to provide any reasonably available evidence in order to satisfy the court with a ‘sufficient degree of certainty’ that he is the right holder and his rights are being infringed or that such infringement is imminent. The applicant may be required to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.³⁹

Damages under TRIPs: The TRIPs Agreement provides that the judicial authorities in the Member States are authorized to order the infringer of copyright to pay the copyright owner damages adequate to compensate for the injury the copyright owner has suffered because of an infringement. It is, however, essential that the infringer has knowingly, or with reasonable grounds to know engaged in infringing activities. The infringer may also be required to pay expenses to the copyright owner which may include appropriate attorney’s fees. The judicial authorities may also order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.⁴⁰

OTHER REMEDIES: DESTRUCTION OF INFRINGING GOODS

³⁹ Article 50, TRIPs Agreement

⁴⁰ *Id.* Article 45.

The judicial authorities in the Member States have the authority to dispose of infringing good outside the channels of commerce in such a manner as to avoid any harm caused to the copyright owner without making any provision for the compensation of any sort. The infringing goods may also be destroyed if this is not contrary to the existing constitutional requirements. The materials and implements the pre - dominant use of which has been in the creation of the infringing goods may also be disposed of outside the channels of the commerce in such a manner as to minimize the risks of further infringements. The courts shall take into account the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of the third parties while making any such order.⁴¹

ADMINISTRATIVE REMEDY

In order to prevent importation of infringing copies in India, the Copyright Act, 1957 makes available an effective and quick administrative remedy to the owner of copyright. Section 53(1) of the Act empowers the Registrars of copyrights to make an order prohibiting the importation into India of copies of a copyrighted work made outside India which, if made in India, would infringe copyright in the work, on the application of the owners of copyright in such work, or his duly authorized agent, after making such inquiry as he deems fit.

The issue of importation into India of the infringing copies of the work protected by copyright came before Supreme Court in *Gramophone Company of India Ltd. v. Birendra Bahadur Pandey and Others*⁴². The appellant in this case, the Gramophone Company of India Ltd., was the owner of copyright in musical records and cassettes. The appellant received information from the customs authorities at Calcutta that a assignment of pre-recorded cassettes sent by Universal Overseas Private Ltd., Singapora to M/s Sungawa Enterprises, Kathmandu, Nepal had arrived at Calcutta port by ship and was awaiting dispatch to Nepal. Due to broken condition of the consignment which

⁴¹ *Id.* Article 46.

⁴² A.I.R. 1984 SC 667.

was lying in the Calcutta docks, the appellant learnt that a substantial number of cassettes were pirated works.

The appellant sought intervention of the Registrar of copyrights in action under Section 53 of the Copyright Act, 1957. As the Registrar was not taking expeditious action on the application of the applicant and as it was apprehended that the pirated cassettes would be released for transportation to Nepal, the appellant filed a writ petition in the Calcutta High Court seeking a writ in nature of mandamus to compel the Registrar to pass an appropriate order under Section 53 and to prevent release of the cassettes from the custody of the custom authorities.

Section 53(2) of the Act empowers the Registrar of copyrights, or any person authorised by him in his behalf to (a) enter any ship, dock or premises where any such copies as are referred to in Section 53(1) may be found, and (b) examine such copies. The purpose of the above provision is to determine whether or not such copies infringe the copyright in the work of the applicant. Rule 23 of the Copyright Rules, 1958 requires the Registrar or any person authorized by him in this behalf to take action under Section 53(2) in collaboration with customs authorities.

All copies of the work to which the order of the Registrar applies shall be deemed to be goods of which the import has been prohibited under Section 11 of the Customs Act, 1962 and all provisions of that Act shall have effect accordingly. Section 11 of the Customs Act, 1962 provides *inter alia* that if the Central Government is satisfied that it is necessary for the protection of patents, trade marks and copyrights, it may prohibit absolutely or subject to conditions, prohibit the import or export of goods of any specified description.

Under Section 110 of the Customs Act, 1962, if the proper officer has reason to believe that any goods are liable to confiscation under the Act, he may seize such goods. However, where it is not practicable to seize any such goods, the proper officer may serve an order on the owner of the goods that he shall not remove, part with, or otherwise deal with the goods except with prior permission of such officer. It is mandatory to give a notice of the seizure of the goods to the owner of goods within six months; otherwise the

goods shall be returned to the person from whose possession they were seized. However, the period of six months may be extended by another period of six months if sufficient cause is shown. Under Section 111 (d), any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by law shall be liable to confiscation. The pirated copyright goods are covered under this provision.

All infringing copies confiscated under Custom Act shall not vest in the government but shall be delivered to the owner of the copyright in the work.⁴³ However, importation of one infringing copy of the work is allowed for the private and domestic use of the importer.⁴⁴

The remedy available to copyright owner under Section 53 is different from and in addition to the civil remedy available for the infringement of copyright under Section 55. The remedy available under Section 53 of the Act is *quasi - judicial* in nature as an appeal can be made to the Copyright Board against the order of Registrar under Section 72 of the Copyright Act.

Administrative remedies under Berne Convention

The Berne Convention provides for seizure of infringing copies which includes seizure by customs authorities. This is the only procedural remedy specifically dealt with by the Convention.

Article 16(1) of the Convention provides that infringing copies of a work is liable to seizure in any country of the Union where the work enjoys legal protection. Article 16(2) provides that copies of a work which is protected in the country where such protection is claimed can be seized as infringing copies even though they are being imported from a country where the work is not protected or has ceased to be protected, i.e., has fallen into public domain. This means that in cases of imported infringing copies, it is irrelevant whether they infringe copyright in the country where they were made or

⁴³ Proviso to Section 53, Copyright Act, 1957.

⁴⁴ *Id.* Proviso to Section 51(b).

in the country from which they were exported. The important point is that the work should enjoy legal protection in the country where copies of the work are being imported.

The seizure shall take place in accordance with the legislation of each country according to Article 16(3). The remedies, therefore, may be civil, criminal or administrative. All sanctions for infringers are left to national legislations.

Administrative remedies under TRIPs Agreement

The TRIPs Agreement provides that Member States shall comply with Articles 1 to 21 and the Appendix of the Berne Convention.⁴⁵ Thus, Article 16 of the Berne Convention, as discussed above finds a place in the TRIPs Agreement. Apart from this Section 4 of the TRIPs Agreement which provides for “Special Requirements Related to Border Measures” and consists of Article 51 and 60, recognizes the role of custom authorities to curb infringement of copyright. Thus, specific obligations have been imposed on Members to institute and enforce border measures to prevent infringement of copyright. These border measures, however, are not to be applied between the Members of a custom union⁴⁶ such as EU or where the imported goods put are on market by or with consent of the right-holder or where the goods are in transit.⁴⁷ The position is in conformity with Article 6 of TRIPs Agreement which refers to the issue of exhaustion.

The provision laid down in the TRIPs Agreement regarding enforcement of intellectual property rights are minimum basic procedural regulations to achieve “effectiveness” in the enforcement of copyright.

Article 51 of the TRIPs obliges Member States to adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of pirated copyright goods⁴⁸ may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension of the release into free circulation of such

⁴⁵ Article 9(1) TRIPs Agreement.

⁴⁶ *Id.* Footnote 12 to Section 4

⁴⁷ *Id.* Footnote 13 to Article 51, *id.*

⁴⁸ “Pirated copyrighted goods” mean ‘any good which are copies made without the consent of the right holder or person duly authorized 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’. See *Id.* footnote 14(b) to Article 51.

goods by the custom authorities. The right holder shall be required to provide adequate evidence to satisfy the competent authorities, administrative or judicial, for the suspension of the release into free circulation of such goods by the custom authorities. The right holder shall be required to provide adequate evidence to satisfy the competent authorities that there is *prima facie* an infringement of his copyright.⁴⁹ The custom authorities, upon receipt of the said notice and on being satisfied after making necessary enquiry as it deems necessary, shall suspend the goods for a period of ten days from the date of limitation to the right holder about the action taken. The Agreement further provides that the above period may be extended by another ten days on reasonable grounds. In the event of the right holder not informing the customs authorities that proceedings leading to a decision on the merits of the case have been initiated, the later shall release the goods detained.⁵⁰

The right holder shall be given sufficient opportunity to have any goods detained by the custom authorities inspected in order to substantiate his claims.⁵¹ The competent authorities may also take *suo motu* actions to suspend the release of goods in respect of which they acquired – *prima facie* evidence that an intellectual property right is infringed. For this purpose, competent authorities may at any time seek any information from the right holder to exercise these powers and both the importer and the right holder shall be promptly notified of this suspension.⁵²

Article 53 and 56 of the Agreement provide for adequate security as indemnity to be furnished by the right-holder to protect defendant, importer, consignee, and the owner of goods when it notifies customs authorities for taking action at the border to detain infringing copies. Competent authorities in Member States shall have the authority to order destruction or disposal of infringing goods outside the channels of commerce. The defendant, however, shall have right to seek judicial review of such order.⁵³

⁴⁹ *Id.* Article 52.

⁵⁰ Article 55, TRIPs Agreement.

⁵¹ *Id.* Article 57.

⁵² *Id.* Article 58.

⁵³ *Id.* Article 59.

The principle of *de minimis* finds a place in the TRIPs Agreement. The infringing goods in smaller quantity meant for personal use of a traveller need not to be seized or confiscated by the custom authorities.⁵⁴ It is noteworthy that the Copyright Act, 1957 permits importation of only one infringing copy of any copyrighted work for private and the domestic use of the importer.⁵⁵

WCT, 1996 and WPPT, 1996

The WIPO Copyright Treaty, 1996 (WCT) provides that Member States shall comply with Articles 1 to 21 and the Appendix of the Berne Convention.⁵⁶ Thus, article 16 of the Berne Convention finds a place in the WCT. Further, WCT and WIPO Performances and Phonograms Treaty, 1996 (WPPT) oblige State Parties to provide effective enforcement procedures in their national laws against any act of infringement of rights as provided in those treaties. The laws shall also provide expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.⁵⁷ This include civil, administrative (border measures) and criminal remedies. At present, India is not a party to any of the two treaties.

However, by amending the Copyright Act in the year 2012, the obligations under the treaties like Digital Rights Management and Anti-Circumvention Measures have been added as remedies in the Indian law. However, the fair use exception has been retained keeping in mind the peculiar conditions prevailing in India.⁵⁸ Further, the new IPR policy introduced in May, 2016 seeks to take the remedies available even a step further. An analysis of the new Intellectual Property Rights Policy 2016, designed to strengthen

⁵⁴ *Id.* Article 63.

⁵⁵ Proviso to section 51, Copyright Act, 1957.

⁵⁶ Article 1(4), WCT 1996.

⁵⁷ Article 14(2), WCT, 1996 and Article 23(2), WPPT.

⁵⁸ See, Zakir Thomas, "Overview of Changes to the Indian Copyright Law", (2012) *JIPR* 17(4) 324-334.

India's IPR regime "to foster creativity and innovation," indicates that it might have put the interests of intellectual property owners, or global capital above that of public.⁵⁹

Not only this, the recently leaked Intellectual Property chapter of the Regional Comprehensive Economic Partnership has garnered much attention worldwide. Given the imminent negotiations over the free-trade agreement between India and 15 other Asia-Pacific countries, the leaked draft gives a direct insight into the stand that participating countries would be taking over IP protection. The provisions relating to copyright protection require deliberation, since they call for stringent measures, in excess of India's current IP law obligations under the WTO. Under the RCEP, each party must ratify or accede to the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT).⁶⁰ These remedies are targeted at especially countering online piracy which the traditional remedies are powerless to check.

CRIMINAL REMEDIES

The owner of copyright can take criminal proceedings against infringer. The criminal remedy is distinct and independent of other remedies and can be availed simultaneously to stop further infringement and punish the infringer. The pendency of a civil suit does not justify the stay of criminal proceedings in which the same question is involved. In addition, a criminal complaint cannot be dismissed merely on the ground that the dispute is civil in character.⁶¹

Criminal remedies are more effective than civil remedies because the former can be disposed of quickly. In addition, criminal proceedings directly strike at the honour and social status of an infringer, as a consequence of which sometimes he comes for a

⁵⁹ See, Sunil Mani, "Not Based on Evidence: New IPR Policy 2016: Commentary", *Vol. 51, Issue No. 38, 17 Sep, 2016 Economical & Political Weekly Journal*, available at <http://www.epw.in/journal/2016/38/commentary/new-ipr-policy-2016.html>.

⁶⁰ Devika Agarwal & Radhika Agarwal, "Needless Pressure to Change Copyright Laws", *May 4, 2016, The Hindu: Business Line*, available at <http://www.thehindubusinessline.com/opinion/needless-pressure-to-change-copyright-laws/article8557036.ece>.

⁶¹ *V.S. Sharma v Dharma Rao*, A.I.R. 1942 Mad. 124.

settlement out of court to save his prestige. Knowledge or *mens rea* is an essential ingredient of the offence.

Section 63 to 70 of the Act deal with offences relating to copyright. Section 63 makes it an offence for any person knowingly to infringe:

- the copyright in a work; or
- any other right conferred by the Act (except the resale share right in original copies as provided by section 53A) or knowingly to abet such infringement.

It is, however, clarified that the construction of a building or other structure which infringes or which, if completed would infringe the copyright in same other work is not an offence and therefore not punishable.

The offence of an infringement of copyright is punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than Rs. 50,000/- but which may extend to Rs. 2 lakhs. The court has discretion to reduce the minimum term of imprisonment and the minimum fine for adequate and special reasons where the infringement has not been made for gain in the course of trade or business. For the second and subsequent convictions, the minimum term of imprisonment is enhanced to one year and minimum fine to Rs.1 lakh which may be relaxed for adequate and special reasons to be mentioned in the judgment where the infringement was not made for gain in the course of trade or business. There is, however, no change in the maximum punishment.⁶²

The offence under section 63 of the Copyright Act, 1957 is a non – bailable offence. The provisions of section 438 of the Criminal Procedures Code, can, thereof, be applied in respect of offence punishable under section 63 of the Act.⁶³

Knowing use of infringing copy of computer programme

A new Section 63B which has been inserted by the Copyright (Second Amendment) Act, 1994 makes knowing use of infringing copy of computer programme

⁶² Section 63 A, Copyright Act, 1957.

⁶³ *Jitendra Prasad Singh v. State of Assam*. 2003 (26) P.T.C. 486 (Gau.) at 487.

an offence, under which the offender is punishable with imprisonment for a term which shall not be less than seven days but which may extend to three years and with fine which shall not be less than Rs. 50,000/- but which may extend to Rs. 2 lakhs. However, where the computer programme has not been used for gain or in the course of trade or business, the court for adequate and special reasons to be mentioned in the judgment, not impose any sentence of imprisonment and may impose a fine which may extend to Rs. 50,000/-

Seizures of infringing copies by police

Prior to Copyright Amendment Act, 1984, seizure of infringing copies by police was possible only after a magistrate had taken cognizance of an offence relating to infringement under Section 63⁶⁴. Moreover, such seizures could only be of infringing copies and did not extend to plates used for making infringing copies.

The Copyright Amendment Act, 1984 had widened the powers of the police. After the amendment, Section 64 provides that where any police officer not below or an abetment of infringement of copyright in any work of has been or is likely to be committed, he may seize without any warrant all copies of the work and all plates used for the purpose of making infringing copies of the work, wherever found. The copies so seized must be produced before a magistrate as soon as practicable.

In *Girish Gandhi v. Union of India*⁶⁵, the constitutional validity of section 64 was challenged on the ground that since no procedure was laid down in the section, the power granted to police officer was arbitrary and hence violative of the constitutional right. The court while rejected this ground held that Section 63 clearly mentioned that police officer was to seize the material if he has satisfied. The word "satisfaction" would mean that police officer would not act until and unless he had got some type of information on the basis of which he was satisfied. His satisfaction should be objective. It could not be imagined that only because Section 64 empowered the police officer to seize the material to his satisfaction, that he would act *mala fide* or in an arbitrary manner. If he did so, there

⁶⁴ *Ghera Lal v. State*, A.I.R. 1965 All 206.

⁶⁵ A.I.R. 1997 Raj 78.

were ample remedies available in the appropriate courts and he aggrieved person was always free to safeguard his interest in that respect by restoring to the legal remedies. The power given to the police officer was not at all arbitrary.⁶⁶

Delivery of infringing copies to the owner of copyright

In a criminal proceeding, the court may order that all infringing copies of the work or all plates for the purpose of making such copies which are in the possession of alleged offender be delivered up to the owner of the copyright. The court may make this order irrespective of the fact whether the alleged offender is convicted or not.⁶⁷

Punishment for contravention of section 52A

Section 52A makes it mandatory to give certain information on the sound recordings or video films, regarding the name and address of the person who makes such sound recording or the video film; and the name and address of the owner of the copyright in such works, etc. section 68A provides that any person who publishes a sound recording or a video film in contravention of the provision 52A shall be punishable with imprisonment which may extend to three years and shall also be liable to fine.

In *State of Andhra Pradesh v. Nagoti Venkararamane*⁶⁸, the Supreme Court examined the question whether the identification of the owner of the copyright was a precondition for the conviction of an offence under the Copyright Act, 1957. The court observed that the objective of introducing Section 52A was to prevent piracy of cinematograph film and sound records and protect the interest of the owner of copyright and the public. The Act mandated the punishment of accused in case of violation of the provisions. 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 did not constitute lack of essential element of infringement of copyright. If the

⁶⁶ *Id.* at 84.

⁶⁷ Section 66, Copyright Act, 1957.

⁶⁸ (1996) 6 S.C.C. 409.

particulars on video films, etc. as mandated under Section 52-A did not find place, it would be infringement of copyright.⁶⁹

Criminal remedies under the TRIPs Agreement

Article 61 of the TRIPS Agreement provides for criminal remedies against the infringement of copyright. The provision obliges members to provide for criminal procedures for penalties at least in cases of wilful copyright piracy on commercial scale. Criminal remedy shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes for a corresponding gravity. In appropriate cases, criminal remedies 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. The Copyright Act, 1957 is in conformity with TRIPs Agreement as it provides for stricter punishment for the infringement of copyright.

REMEDIES FOR INFRINGEMENT OF NEIGHBOURING RIGHTS

All the above discussed remedies are also available against the infringement of broadcast reproduction rights and performers' rights in India. Section 39A of the Copyright Act, 1957 provides that Sections 53, 55, 64, 65 and 66, etc. shall apply *mutatis mutandis* in relation to broadcast reproduction rights and performers' rights.

CAUTION AGAINST ADDITIONAL PROTECTION

It can be seen, thus, that the remedies provided for copyright infringement in Indian law are slowly coming at par with those provided globally. It is perhaps the better implementation of these remedies that is required. However, in the light of the additional innovative remedies being introduced every now and then, it must be borne in mind that Copyright laws were never intended to create absolute monopoly. Copyright law has

⁶⁹ *Id.* at 415.

been considered to create equilibrium between the rights of copyright owner to generate a profit for their work and the benefit to society of learning from and building upon their works. The traditional principles of copyright, like the 'fair use' doctrine, were developed towards this end. With the advent of Information and Communication Technology revolution these traditional principles are losing their relevance. This Digital transmission technology is posing a major problem to copyright laws in the form of the Internet. To counter this, there is a wholesale transformation of copyright laws with the adoption of many layers of protections in the form of "technological protection measures" and through contract laws in addition to the copyright laws. This may tilt the balance in favour of the copyright owners. However, in an effort to set up a strict regime against infringement, the just exceptions to such protection must not be forgotten.

CONCLUSION

An ideal regime for copyright protection would balance the rights of all stakeholders. On one hand, India faces major economic losses due to rampant piracy, especially online; on the other hand, the peculiar socio-economic conditions of the country make it imperative to overlook IPRs to an extent for the greater common good. In these circumstances, perhaps the stress should be on effective implementation of the existing remedies rather than introducing new remedies over and above the existing provisions, so that the genuine exceptions to IPRs are not whittled down. With the paradigm shift in the legal regime governing the subject in India, it remains to be seen how such a balance continues to exist.