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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.10.2021

CORAM :

THE HON'BLE MR.SANJIB BANERJEE, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE P.D.AUDIKESSAVALU

OSA (CAD) No.68 of 2021

C.Prakash

Proprietor of M/s.Sri Kumaran,
CD Collections & Electronics,
New No.3, Old No.8,
AR Cauvery Enclave, F2,
1st Floor, NGO Colony, 3rd Street,
Vadapalani,
Chennai - 600 026.

... Appellant

Vs.

1. S.N. Media,
No. 13, Clemens Road
Purasawakkam
Chennai - 600 007.

2. B.Mahadev,
Proprietor of M/s.Mahashaila Cine Sankula,
No.352, 2nd Main, 8th Cross, Annapoorneshwari Nagar,
Nagarbhavi II Stage,
Bangalore - 560 091.

3. M.S. Manu Gowda,
Proprietor of M/s.Mahashaila Cinebandha,
No.352, 2nd Main, 8th Cross, Annapoorneshwari Nagar,
Nagarbhavi II Stage,
Bangalore - 560 091.

.. Respondents

Prayer: Appeal filed under Order XXXVI, Rule 9 of OS Rules read with Clause 15 of the Letters Patent read with Section 13 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Act, 2018 to set aside order dated 26.04.2021 made in O.A.No.51 of 2021 in C.S(Comm. Div) 30 of 2021 on the file of the High Court (Commercial Division Original Side) Madras.



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For the Appellant : Mr.M.V.Swaroop

For the Respondents : Mr.B.Arvind Srivatsava
for Respondent No.1

No appearance
for Respondent Nos. 2 and 3

JUDGMENT

(Delivered by the Hon'ble Chief Justice)

This is an appeal against an order dated April 26, 2021 by which an initial injunction granted in favour of the plaintiff appellant has been vacated at the behest of the first defendant.

2. According to the plaintiff, the second and third defendants assigned their copyright as producers of two films by the names of Chingari and Shrikanta in favour of the plaintiff in respect of the Tamil and Malayalam language internet and digital dubbing non-theatrical rights. In other words, the case made out in the plaint is that by similar agreements both dated May 29, 2020 the father and son combine of the second and third defendants, as producers of the Kannada cinematograph films indicated by title in the said agreements, assigned the digital rights therein for the plaintiff to be entitled to digitally release the films dubbed in Tamil and Kannada, but the plaintiff would have no rights to release the films dubbed in Tamil or Kannada in any theatre-hall. The agreements provide for consideration and the plaint asserts that the consideration was duly made over as per the instructions of the said defendants.

3. The first defendant has a similar agreement pertaining to film Chingari from the second defendant and pertaining to film Shrikanta from the third defendant. The first defendant claims the documents of assignment to have been executed on July 10, 2020. Admittedly, the first defendant claims as the subsequent assignee of the copyright pertaining to the dubbing and digital release of the two films in Tamil and Kannada. The first defendant also claims to have paid valuable consideration for obtaining such copyright.

4. The second and third defendants appear to have been served, but have chosen not to respond or file any written



statement or counter-affidavit to the applications filed by the plaintiff. The sole ground of defence raised by the first defendant is that in correspondence emanating from the second and third defendants, they have denied having received any consideration for the assignments claimed by the plaintiff pursuant to the agreements of May 29, 2020.

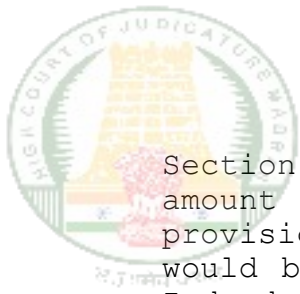
5. Upon recording the facts, the trial court held, inter alia, as follows in the ultimate paragraph of the judgment and order impugned dated April 26, 2021:

"15. Therefore, on considering the documents and the pleadings, this Court holds that facts are in favour of the person, who has established his, bonafideness and passing of consideration to own the copyright as against a person, whose documents are defective and payment of consideration is doubtful. Hence, these applications are dismissed. The exparte interim order already granted stands vacated. No costs."

6. The issue here is as to whether the assignments claimed by the plaintiff would stand defeated merely on account of the perceived non-payment of consideration therefor by the plaintiff.

7. It is elementary that assignment of copyright may only be by way of a written instrument. The Copyright Act, 1957 does not require consideration to pass from the assignor to the assignee for the assignment to be complete. Indeed, the position in law is that an unpaid assignor of the copyright has a claim in money and such claim sounds only in damages; but notwithstanding non-payment the assignor who has assigned the copyright to the assignee in writing cannot retract or recover the same except upon a further written instrument being executed by the assignee re-assigning the copyright in favour of the original assignor.

8. Section 18 of the Copyright Act deals with assignment. Section 18(1) permits total or partial assignment of copyright. Section 19 of the Act deals with the mode of assignment and mandates that an assignment of copyright would be valid only if it is in writing. Indeed, the mandate is stricter since sub-section (1) of Section 19 is couched in the negative form to say that unless the assignment is in writing signed by the assignor or its duly authorised agent, the assignment would not be valid. There are other requirements as to the mode of assignment, which may not be relevant in the present context. Sub-section (3) of



Section 19 of the Act requires the assignment to specify the amount of royalty or other consideration payable. However, the provision does not mandate that the payment of consideration would be a condition precedent to the assignment taking effect. Indeed, when it comes to royalty in respect of assignment of copyright in musical work, traditionally, royalty has been paid after the music has been played notwithstanding the assignment having been made earlier. Particularly in the music industry, assignment is made and the instrument provides for the royalty payable, based upon the number or the period or other parameters that may be agreed upon between the parties. It is not required for the assignment to become effective upon due or any consideration therefor being tendered by the assignee to the assignor.

9. It is evident from the impugned judgment that no doubt was harboured by the trial court as to the veracity of the agreements dated May 29, 2020 asserted by the plaintiff. Indeed, such agreements could not have been questioned by the first defendant, particularly in the absence of the second and third defendants, who had due notice of the suit and the applications therein. Thus, even if it be accepted that the plaintiff herein did not tender any consideration, notwithstanding the plaintiff's assertion to the contrary, for obtaining the assignment in the copyright pertaining to the relevant films, the plaintiff would still be entitled to assert the plaintiff's ownership in respect of the partial assignment made in favour of the plaintiff and, as such, partial owner, the plaintiff would be entitled to restrain all others from exploiting the same right as such exploitation would amount to infringement within the meaning of the said Act of 1957.

10. There is no dispute in this case that the second and third defendants were the producers of the relevant films since both the plaintiff and the first defendant claim under such defendants.

11. In such circumstances, the judgment and order impugned cannot be sustained and the same is set aside. As a consequence and for the reasons indicated above, the plaintiff is entitled to an injunction.

12. Accordingly, OSA (CAD) No.68 of 2021 stands disposed of by setting aside the judgment and order dated April 26, 2021 and by issuing an injunction in favour of the plaintiff and against the first defendant, restraining the first defendant, whether by



itself or by its servants, agents or assigns or otherwise howsoever from in any manner infringing the plaintiff's copyright in the films Chingari and Shrikanta as covered by the assignments made in favour of the plaintiff by the agreements of May 29, 2020.

C.M.P.No.13797 of 2021 is closed. There will be no order as to costs.

Sd/-
Deputy Registrar(CS)

//True Copy//

Sub Assistant Registrar

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To:

The Sub Assistant Registrar,
Original Side,
High Court of Madras.

OSA (CAD) No.68 of 2021

PPA(CO)
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