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BEFORE THE COPYRIGHT BOARD AT NEW DELHI

Case F. Nos. 3, 4, 5/2005, 1-10/2007-CRB(NZ) and 1-8/2007-CRB (NZ)

Decided On: 21.01.2009

Raj Kumar Sharaf **Vs.** Visakha Chemicals

Hon'ble Judges/Coram:
Dr. Raghbir Singh, Chairman, Rajendra Kumar Mishra, Member and R. Ragupathi, Member

Counsels:
For Appellant/Petitioner/Plaintiff: K.G. Bansal

For Respondents/Defendant: Shailen Bhatia

ORDER

1. These are five applications under Section 50 of the Copyright Act, 1950 for expunction of registration numbers A-58545/2001 and A-61480/2002 of artistic works Ampachan and registration numbers A-61431/2002, A-64130/2003 and A-64132/2003 of artistic works Rochak in the Register. These matters were heard on 25th November, 2008 at New Delhi. petitioner in registration number A-58545/2001 has submitted that the author claimed in the impugned registration, Shri Rattan Lal Poddar, the partner in the firm Visakha Chemicals does not have any artistic capabilities or technical skills and thus the work does not appear to be his work. Even if it is assumed that the said Shri Poddar has authored the work, there is no assignment by him to the firm. Respondent firm has claimed in its complaint filed in the court of ACJM, Delhi under sections 77-79 of the Trade and Merchandise Marks Act, 1958 and sections 63-64 of the Copyright Act, 1957 that the complainant firm has invented and adopted the impugned artistic label. Impugned work was not first published in 1999 as claimed. Similar pleas have been taken in matter of registration number A-61480/2002 except that the submission that the impugned work was not first published in 1985 as claimed as the said Shri Poddar became a partner in the firm only in 1987 as per Form A issued by the Registrar of Firms filed by the respondent in the aforesaid criminal complaint. Further, as per affidavit sworn in 2003 by the respondent, Shri Poddar was only 36 years old in 2003. Thus he was of 18/19 years of age in 1985 when the impugned work is alleged to have been created. The impugned work thus possibly could have not been created by him at that age.

2. Respondent in the written statement in relation to registration number A-58545/2001 has submitted that AM PACHAN as a trade mark was adopted by the respondent for the goods churan tablets in the year 1985. It has denied the averment as to lackness of originality of the impugned work. It has given description of the format and texture of the impugned label to buttress the assertion it being original work. Respondent has given particulars of various other copyright registrations it is holding. It has given sale figures of previous 20 years. It has given details of various cases where it got remedies in various courts as against infringers of its rights. Averments as to the lackness of artistic capabilities of Shri Ratan Lal Poddar are incorrect. Respondent adopted the trade

mark AM PACHAN in the year 1985. Shri Ratan Lal Poddar was working in the firm M/S Vishakha Chemicals from 1982 to 1987. He then became a partner of the firm in 1987. Thus, the artistic work was developed by Shri Ratan Lal Poddar for the respondent in the course of employment in the family firm. Submissions made in relation to registration number A-61480/2002 are on similar lines.

3. In the rejoinders by the petitioner relating to both the registrations, averments in the written statements in both the cases have been denied.

4. Petitioner in his evidence by affidavit has submitted that in an advertisement in a newspaper dated 16th March, 1997, the published AMPACHAN label is fundamentally different from the AMPACHAN label for which the impugned copyright registration has been obtained. In Mega6 Trade Mark Journal dated 25.11.2003, application dated 11th June, 1999 of the respondent claims user as from 1.1.1985. In order to assail the originality of the work, petitioner has submitted a copy of Trade Mark Journal of Nepal where it has been indicated registration of label AMPACHAN in favour of someone else. There are similar averments in the evidence by affidavit filed by the petitioner in relation to impugned registration number A-61480/2002.

5. In the evidence by affidavit filed by the respondent in both the cases, much of the averments made in the written statement have been repeated. Respondent has submitted as Annexure Q a copy of letter dated 5.12.1986 written to the Nepal Bank Ltd., Kathmandu in support of the fact that Shri Ratan Lal Poddar was working in the respondent firm during the relevant period.

6. Learned counsel for the petitioner drew our attention to column numbers 7 and 9 of the certificate which is based upon the columns filed in the application for registration in relation to registration number A-58545/2001. It provides Shri Ratan Lal Poddar, partner as the author of the work and 1999 as the year of first publication thereof respectively. He drew our attention to para D of the petition where the professional capabilities of Shri Poddar has been put to question and it has been alleged that nowhere in the criminal cases in Delhi courts it has been mentioned by the respondent that Shri Poddar is the author of the work. He drew our attention to parasi 3 and 4 of the written statement where the respondent has submitted that AM PACHAN was adopted by the respondent for the goods churan tablets in the year 1985 whereas the certificate mentions the year of first publication as 1999 leading to suspicion on the veracity of statements by the respondent at two different places relating to the same thing. He drew our attention to para 4E of the written statement rebutting para 4E of the petition alleging as to absence of any assignment by the alleged author, Shri Poddar in favour of the firm, the applicant.

Respondent in para 4E of the written statement has stated that the respondent adopted the mark AM PACHAN in 1985. Shri Ratan Lal Poddar was working in the firm M/s. Visakha Chemicals from 1982 to 1987 and became partner of the firm in 1987. Thus the artistic work was developed by Shri Rattan Lal Poddar for the respondent firm during his employment in the family firm. To substantiate that Shri Poddar was working in the firm during the relevant period, copy of a letter dated 5.12.1986 written by the Manager of M/s. Visakha Chemicals to the Manager, Nepal Bank Ltd., Kathmandu for some transactions relating to some other firm has been submitted. Learned counsel submitted that the name of Shri Poddar as Manager has nowhere been mentioned on the letter pad. Further signature by itself is not discernible as to it being signature of Shri Poddar. Assuming if it to be the signature of Shri Poddar, it is nowhere substantiated that Shri Poddar as an administrative functionary in the firm concerned with the general business

of administration was capable of creating and has actually created the work. Thus there is no evidence as to the creativity of the work and thus leading to first ownership of the alleged author, Shri Poddar. Learned counsel drew our attention to the trade mark application dated 11.6.1999 for the similar mark published in TM Journal Mega 6 dated 25.11.2003 stating user claimed since 1.1.1985. Learned counsel drew our attention to Trojan and Co. v. Nagappa, MANU/SC/0005/1953 : AIR 1953 SC 235. wherein it was held that it is well settled that the decision of a case cannot be based on grounds outside the pleadings of the parties and it is case pleaded that has to be found. He supported his arguments in this regard by a recent case of the Supreme Court in matter of Gramophone Co. of India v. Mars Recording P. Ltd., MANU/SC/0532/2001 : 2001 PTC (21) 68 KSC), a case related to sections 2(m) and 52(1)(j) of the Copyright Act, 1957. Learned counsel on the analogy of submissions made in Milestone Entertainment Private Ltd. v. Anamika Sood, 2001 PTC (21) 141 (Bom) submitted that assignment of copyright can only be of an identifiable work.

He further relied upon Vicco Laboratories v. Art Commercia Advertising P. Ltd., MANU/SC/0442/2001 : 2001 PTC (21) 687(SC) holding that petitioner's claim under section 17 of the Copyright Act, 1957 shall fail for having not established that the respondents produced the work (1) as the agents of the petitioners;(2) in the course of their employment with the petitioners; (3) for valuable consideration paid by the petitioners to them; and (4) at the instance of the petitioner. He argued that similarly in this matter burden is cast upon the respondent to prove that the work was created by Shri Poddar for the respondent in terms of provisions of section 17 of the Copyright Act, 1957. Learned counsel drew our attention to Marley Cooling Towers Co. v. Paharpur Cooling Pvt. Ltd., 2000 PTC (20) 647(Cal) (CB) where this Board had held for an artistic work registered in the name of a registered company as under:--

> "Under section 19 of the Act, an assignment can be made only in writing and the respondents had not produced any assignment deed by Mr. Vikram Swaroop either at the time of registration nor have they claimed of any assignment at any time thereafter. Hence, even if the impugned works are designed by Mr. Vikram Swaroop, in the absence of a deed of assignment, the respondent company could not have acquired the rights of the author in the impugned works by this method. As the respondent is a public limited company and has a distinct entity than that of its members, the son of a director or for that matter even of a director himself is a separate entity from that of the respondent company and as such by a mere production of an artistic work by the director of a company or his son could not become the property of the company without any valid document.".

Learned counsel referred to K.A. Venugopala Setty v. Dr. Suryakantha Z. Kamath, MANU/KA/0001/1992 : 1992 (12) PTC 55 (Kar) (DB) where the Karnataka High Court held that the assignment of copyright must be in writing and signed by the assignor or his duly authorized agent stating in clear terms, the rights proposed to be assigned and the size of the work. As the assignment set up by the defendant is an oral assignment, it is invalid and impermissible in law as per provisions contained in section 19 of the Act. He referred to Urmila Charan Gupta v. Charushila Sharan Gupta, MANU/CP/0001/1982 : 1983 (3) PTC 84 (CB) wherein this Board observed that to constitute a contract of service there should be at least two separate parties - an employer and an employee - and also an agreement between them for the performance of some act whose terms and conditions are clearly defined. Learned counsel relief upon Arya Pratinidhi Sabha v. Arvind Niketan Charthawal, 1979 All.L.J. 1220 where Allahabad High Court held that the words "in the course of his employment" mean "in the course

of the work which the author is employed to do and what is incidental to it". Learned counsel cited Denning L.J., as quoted in Intellectual Property by W.R. Cornish - 3rd edition, para 12-06, suggesting that the old test of whether the person contracting for the work could exercise control over how it was done was becoming obsolete; the question ought rather to be whether the person performing it was doing so as an integral part of the business. Learned counsel cited the following from Intellectual Property Law, Lionel Bently and Brad Sherman, Indian edition, para 3.1.2.:--

> "An important factor which has influenced the courts when determining if a work has been made in the course of employment is whether the making of the work falls within the types of activities that an employer could reasonably expect or demand from an employer. In turn, this depends on the scope of the employee's duties. This can be seen, for example, in Stevenson Jordan v. Macdonald, (1952) 69 RPC, where the question arose as to whether an accountant or his employer (a firm of management consultants) owned copyright in a series of public lectures the accountant had given about the budgetary control of businesses. Morris LJ noted that the employer had paid the expenses of the lecturers, that the employee-accountant could have prepared the lectures in the company's time used it library, had the lectures typed up by company secretaries, and that the lecturers were a useful accessory to his contracted work. Nonetheless, Morris LJ found that since it was not shown that the accountant could have been ordered to write and deliver the lectures, they did not form part of his contract of employment. As such, the copyright belonged to the employee rather than to the employer." appears to be wrongly printed for "employee".

7. Learned counsel for the respondent took us to para 4D of the written statement where the respondent has asserted that Shri Ratan Lal Poddar is the author of the impugned artistic work and M/s. Visakha Chemicals is a family concern of Sri Ratan Lal Poddar. He took us to Annexures E and F of the evidence by affidavit of the respondent where copies of impugned registration numbers A-58545/2001 and A-61480/2002 in relation label AMPACHAN are placed. He submitted that both the labels are distinct having different years of publication, that is, 1999 and 1985 respectively. Both were respectively adopted in those two different years. He drew our attention to copies of various court orders places as Annexure G whereunder remedy in favour of respondent has been provided in matter of infringement of trade mark AMPACHAN of the respondent. He drew our attention to the copy of the Delhi High Court order placed at Annexure H whereunder the petitioner herein was granted bail on 6.2.2003. He drew our attention to a civil suit filed by the petitioner herein and the relevant court order therein (Annexures I and J). He inferred that the petitioner has admitted manufacturing Ayurvedic medicines having not obtained a drug licence in that regard. Learned counsel submitted that the petitioner was aware about the claim of the respondent over the label AMPACHAN through a complaint filed by the respondent (Annexure K). Annexure 0 has the receipts of the trade mark applications dated 26.11.1999 and 11.6.1999 for the labels relatable to impugned copyright registrations numbers A-61480/2002 and A-58545/2001 respectively.

Against the column USER of the receipt, the same has been stated as "FIRST ADOPTEI IN YEAR 1985" and "TRADE MARK AMPACHAN IS IN USE SINCE 1985 AND THE ENT LABEL AS SUCH IS INTRODUCED ON 1.6.99" respectively. At Annexure P is placed is label to be used for the pouches. Learned counsel took us to a copy of letter dated 5.12.1986 signed as Manager of Visakha Chemicals (name of the signatory not mentioned and signature does not discern the name of the signatory) purported to have

been signed by Shri Ratan Lal Poddar addressed to the Manager, Nepal Bank Ltd., Kathmandu signifying that the signatory was in the employment of the respondent on the relevant date. Learned counsel took us to the para 4D of the written statement and submitted that-Shri Ratan Lal Poddar is the author of artistic work in both cases - in matter of publication in 1985 in the course of employment of the firm and in case of publication in 1999 as a partner of the firm. He argued that for applying for registration for copyright no prior assignment was needed. There is no dispute in between an author and the owner - both the author and the owner are on the same side. In any case, affidavits signed by Shri Ratan Lal Poddar can be taken in substitute as the assignments. Applications in Form IV for registration were signed by Shri Ratan Lal Poddar. He argued that the property in the impugned artistic works falls within the concept of the property of the firm for the purposes of sections 14 and 15 of the Partnership Act, 1932. He distinguished the instant case from the Marley's case decided by this Board. In Marley's case, the matter related to a registered company under the Companies Act, 1956 and the creator of the work was the son of a Director of the company. Hence, two distinct persons. Herein, in one case, the creation is in the course of employment and in the other case, it is which came alongwith the partnership when the partnership was entered into. In both cases, the applications for registration of the copyrights in prescribed Form IV have been signed by Shri Ratan Lal Poddar. Averring to the argument of learned counsel for the petitioner as to the submission in the written statements of the respondent that the respondent had adopted the trade mark AMPACHAN in the relevant years, the learned counsel submitted that the 'adopted' or for that matter 'invented' should not be taken in the sense of adoption or invention by itself. Learned counsel drew our attention to the copy of a Hundi dated 5.12.1986 purported to have been signed by Shri Ratan Lal Poddar.

8. Learned counsel for the petitioner, in reply, reiterated the submissions made by him earlier and rebutted generally the arguments of the counsel for the respondent.

9. Sub-section (1) of section 45 of the Copyright Act, 1957 provides that the author or publisher of, or the owner of or other person interested in the copyright in, any work may make an application in the prescribed form accompanied by the prescribed fee to the Registrar of Copyrights for entering particulars of the work in the Register of Copyrights. Accordingly, herein the petitioner in both the cases, M/s. Visakha Chemicals, made the applications as the owner of the artistic work. It declared, Shri Ratan Lal Poddar, the partner of the applicant firm, as the author of the work. It is claimed that when work relatable to registration number A-58545/2001 was published in 1999, Shri Poddar was a partner of the firm and when work relatable to registration number A-6148072002 was published in 1985, Shri Poddar was an employee of the firm as Manager. Thus Shri Poddar created the former as owner and the latter in the course of employment.

(a) In relation to work of 1999 bearing registration number A-58545/2001, first ownership of Shri Poddar is claimed as being partner of the firm. Section 4 of the Indian Partnership Act, 1932 provides as under:--

> "Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all.

Persons who have entered into partnership with one another are called individually "partners" and collectively "a firm", and the name under which their business is carried on is called the "firm name"'.

Sections 6 to 17 and section 28 of the Indian Partnership Act, 1932 deal with the nature and the status and inter personal relationship of partners in a firm which is again dependent upon the terms of agreement of partnership arrived at in between, them. Variegated forms of partnerships can be created under these provisions of the Act, namely, partnership at will, particular partnership and partnership with dormant (sleeping), nominal or working partner. Again profit sharing, being the sine qua non of the partnership, can be in various proportions dependent upon the terms of the agreement. Section 28 recognizes principle of partnership by holding out or by estoppel. Section 14 of the Indian Partnership Act, 1932 titled "The Property of the firm" provides as under:--

> "Subject to contract between the partners, the property of the firm includes all property and rights and interests in property originally brought into the stock of the firm, or acquired, by purchase or otherwise, by or for the firm, or for the purposes and in the course of business of the firm, and includes also the goodwill of tip business.
>
> Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired for the firm."

Intangible properties in the nature of goodwill and various forms of intellectual properties like patents, trade marks and copyrights, etc. form part of the property of the firm under this section. It is settled position in law that, unlike a joint stock company which is a legal entity, a firm has no separate existence apart from its members and the rights and obligations of the firm are in fact the rights and obligations of all of the individuals composing the firm.

Juxtaposed to the above position in the partnership law, it is highly relevant to revert back to the provisions of the Copyright Act, 1957. Section 17 of the Act provides that, subject to the provisions of the Act, the author of a work shall be the first owner of the copyright therein. The author herein has to be an individual human being. There are situations where there can be joint authors where there is intellectual contribution of such authors in the work, Najma Heptulla v. Orient Longman Ltd., MANU/DE/0245/1988 : 1989 (9) PTC 157 (Del) Meikle v. Maufe, 3 All.E.R. 144 is a celebrated case laying down proposition as to entitlement in a copyright of various partners in a partnership firm. Uthwatt, J. laid down as under:--

> "As regards the copyright in the plans of the building in the northern section, I find as a fact that the plans and the design were the joint work of the two partners done in the ordinary course of their partnership business, that the plans in accordance with which the building was erected were, subject to some matters of detail to which I refer below, the original work, (sic) together, and that.
>
> them for their partnership purposes, and, subject to the point of law to which will refer later, the copyright in the artistic design of the building was also vested in them. It is clear on the evidence that both partners in fact collaborated in the work. Indeed, it would appear from some of the published comments on their work that, by their diverse and complementary qualities they were well-fitted for combination. If indulgence in atmosphere was the natural bent of one, the other could be relied upon to see that his partner's ideas were translated into tactile effects. However this may be, the result in this case was

that, in accordance with their plans, a novel building of an artistic character was put up in Tottenham Court Road."

No contribution of the other two partners in creating the artistic work has been claimed. There is a detailed proviso to section 17 which is not relevant in the instant case. Clauses (d) and (y) of section 2 of the Act, read into the facts of the instant case, lead us to inescapable conclusion that Shri Ratan Lal Poddar exclusively is the first owner as claimed in the impugned work. No provision of the Indian Partnership Act, 1932 can be read into these and the following thereto other provisions of the Copyright Act, 1957. Section 18 of the Act dealing with assignment of copyright is permissive enough to accommodate works yet not created, namely. the future works for assignment. Certainly, such a work has to be a work properly identified and designated before the relevant assignment is entered into. Sub-section (1) of section 19 provides mandatorily that an. assignment has to be in writing. No form of making assignment has been prescribed. In the instant case, the first owner of the work, namely, Shri Ratan Lal Poddar as claimed by the respondent could have made such an assignment in the form of a clause of partnership agreement for the work to be created in future. Respondent has. riot produced the copy of partnership, neither in the instant matter nor in any of other cases between these contesting parties presently before the Board and all heard on 25.11.2008. Burden of proof in this regard was upon the respondent. Since the creator of the work has an exclusive right therein, his action in passing on the same to the firm, M/s. Visakha Chemicals consisting of three partners - two besides him - and thus creating individual and collective interests of another two persons therein tantamount to assignment thereof in terms of section 18 and 19 of the Copyright Act, 1957. Whatever be the position in law of partners in relation to a partnership firm vis-Ã -vis a company incorporated under the Companies Act, 1956, the fact of the matter is that the moment a partner puts any of his individual property including a property in the nature of copyright into the common pool of partnership, he is transferring his interests therein and creating others' interest thereupon which can only, in matter of copyrights, be done by following the provisions laid down in sections 18 and 19 of the Copyright Act, 1957. Nothing has been produced before us to signify that any assignment had been made before making application for the registration of impugned work. Any later submission, including a submission made (b) In relation to work of 1985 bearing registration number A-61480/2002, respondent has claimed that the same was created by Shri Ratan Lal Poddar when he was not a partner in the firm but was in the employment of the firm. He has produced the copy of a letter in evidence purported to have been written by the Manager of the firm dated 5.12.1986 written to the Nepal Bank Ltd., Kathmandu in support of the fact that Shri Ratan Lal Poddar was working in the respondent firm during the relevant period. No name of the Manager of the firm has been mentioned anywhere on the letter. Signature by itself do not identify the name of the person putting that signature. In any case, if we take it that the signatory is Ratan Lal Poddar, he is a person performing managerial duties in the firm. What a manager in a firm of this nature is supposed to do does not need any elaboration? Surely, he has not been engaged to perform the duties of an artist. Thus the matter, as claimed, does not fall within para (c) of proviso to section 17 of the Act. For the employer to be the first owner of such a copyright, such a work should have been created by the author in the course of employment under a contract of service or apprenticeship with such employer. The law relating to what constitutes in the course of employment has been laid down time and again in both, Indian and English, cases. Urmila Charan Gupta v. Charushila Sharan Gupta, MANU/CP/0001/1982 : 1983 (3) PTC 84 (CB), Arya Pratinidh Sabha v. Arvind Niketan Gharthawal, 1979 All.L.J. 1220 and Stevenson Jordan v. Macdonald, (1952) 69 RPC discussed earlier clearly spell out that the terms of employment between the employer and the employee clearly lay down the nature of

engagement with the employer which surely has to be to create an artistic work for the employer. No letter signifying the terms of employment of Shri Poddar with the respondent has been submitted. Thus the plea of the respondent fails on this score.

10. Pleadings in registration numbers A-61431/2002, A-64130/2003 and A-64132/2003 of artistic work Rochak are broadly on the same lines as in above two matters relating to Am Pachan. In these three cases, Shri Rattan Lal Poddar, partner is claimed to be the artist and the firm, M/s. Visakha Chemicals, the applicant consisting of Shri Suresh Kumar Poddar, Smt. Asha Devi, Shri Ratan Lal Poddar as partners with address at 3228 Kucha Hafiz Banna, Bahadur Garh Road, Sadar Bazar, Delhi 110006 claims to be the owner. These applications were filed on 29.6.2001, 9.5.2002 and 9.5.2002 and registrations thereof were granted on 4.6.2002, 12.3.2003, 12.3.2003 respectively. Thus in all three cases Shri Rattan Lal Poddar is the first owner of the work in terms of section 17 of the Copyright Act, 1957. The firm consisting of two other partners besides Shri Rattan Lal Poddar, the first owner of the work claiming to be the owner of the work has not done so by following the provisions of section 19 in getting such rights through an assignment in writing from the first owner of the works. Accordingly, we order for the expunction of all five entries and Registrar shall expunge the impugned entries from the Register. No orders as to costs.

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