

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION

INTERIM APPLICATION (L) NO.21705 OF 2021  
IN  
COMMERCIAL IP SUIT (L) NO.434 OF 2021

Shemaroo Entertainment Limited ...Applicant

*In the matter between*

Shemaroo Entertainment Limited ...Plaintiff

vs.

News Nation Network Private Limited ...Defendant

Mr. Rashmin Khandekar a/w. Mr. Mahesh Mahadgut, Ms. Poonam Teddu, Mr. Kaivalya Shetye i/b. MA. Mahadgut, for the Plaintiff.

Mr. Aman Kacheria a/w. Mr. Rishabh Dhanuka i/b. Mr. Rahul Agarwal, for the Defendant.

CORAM :

N. J. JAMADAR, J.

RESERVED ON :

21<sup>st</sup> JANUARY, 2022

PRONOUNCED ON :

27<sup>th</sup> APRIL, 2022

**ORDER:**

1. The suit is an action for infringement of copyright, rendition of accounts and damages.

2. By this application, the plaintiff seeks to restrain the defendant from utilizing, incorporating in any other work, recording, distributing, broadcasting, telecasting, disseminating or otherwise publishing or in any other way communicating to the public in any manner whatsoever on their TV channels “News Nation”, “News State UP and Uttarakhand”, “News State MP and Chattisgarh” or any other channels or any other platform the

content of the plaintiff in respect of the films set out in Exhibit A, annexed to the plaint, including any audio visual songs, clippings and scenes therefrom or using the same in any other manner whatsoever, so as to infringe the plaintiff's copyright therein and to furnish the complete log report from the month of August, 2020 till date of filing of the suit in respect of the plaintiff's content exploited by the respondent in any manner whatsoever from the films listed in Exhibit A annexed to the plaint.

3. The plaintiff is a public limited company incorporated under the Companies Act, 1956. The plaintiff is inter alia engaged in the business of production, exhibition, distribution and exploitation of cinematographic films, plays, dramas, telefilms, songs etc. The plaintiff is also engaged in the business of granting licenses to other broadcasting organizations in respect of copyrights which vest with the plaintiff in respect to the said cinematographic films, plays, dramas, telefilms, songs etc.

4. The defendant is a private limited company incorporated under the Companies Act, 1956. The defendant operates multiple channels such as "News Nation", "News State UP and Uttarkhand" and "News State MP and Chattisgarh".

5. The plaintiff claims to be one of the largest 'film content' houses in India and is also a negative right holder of more than 631 cinematographic films and thus the owner of copyrights in respect of those cinematographic films including audio-visual songs and audio-visual scenes, clips of the films to the extent held by the plaintiff. A list of the works in which the plaintiff holds copyright is annexed as Exhibit A to the plaint.

6. On 19<sup>th</sup> July, 2019 a non exclusive license agreement was executed between the plaintiff and the defendant whereunder non-exclusive license was granted to the defendant to broadcast and exploit audio visual songs clip(s), scenes and dialogue clip(s) on the defendant's said channels for the period commencing from 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2022. In the past also the defendant was granted such non exclusive license to broadcast and exploit the audio visual songs clip(s) under an agreement dated 19<sup>th</sup> July, 2018.

7. On 17<sup>th</sup> July, 2020 vide an email communication, the defendant conveyed its inability to continue with the license agreement dated 19<sup>th</sup> July, 2019. Pursuant to the request of the defendant the said agreement came to be terminated with effect from 1<sup>st</sup> August, 2020. Post termination the defendant had explicitly

agreed and undertaken not to exploit any of the plaintiff's content without obtaining prior permission and license from the plaintiff.

8. Despite the termination of license agreement, the plaintiff noticed that the defendant had unauthorizedly and illegally broadcast the audio visual songs, clippings and scenes of the plaintiff's copyrighted cinematographic films on its channels. The plaintiff has furnished the details of the films, content of which was aired, in some form or other in infringement of the plaintiff's copyright for the month of August, 2020, September, 2020 and October, 2020. Letters were addressed by the plaintiff pointing the infringement of the copyright in the respective months and calling upon the defendant to pay the damages for the same.

9. Eventually, on 20<sup>th</sup> April, 2021 the plaintiff brought to the notice of the defendant, instances of infringement of the plaintiff's copyright in the month of August to October, 2020 and demanded the consolidated amounts towards the damages. In reply, the defendant sought to contest the liability despite admitting the unauthorized exploitation of the plaintiff's content. An attempt was made to justify the use of the said content by pressing into service the principles of fair use and *de minimis*. The defendant also

contested the computation and quantum of damages claimed by the plaintiff.

10. Asserting that neither the defence of fair use nor *de minimis non curat lex* is available to the defendant, the plaintiff has instituted this suit seeking to restrain the defendant from further exploitation of the plaintiff's content on its channels and furnish the log report in respect of the plaintiff's content exploited by the defendant since the termination of the agreement, damages for illegal use and exploitation of the plaintiff's copyrighted content.

11. An affidavit in reply is filed on behalf of the defendant. The defendant has categorically declined to have violated the plaintiff's copyright. Without prejudice to its contentions, the defendant, at the outset, undertook to refrain from disseminating the plaintiff's purported content save and except as a part of its ordinary and regular course of business i.e. report news and programmes. Thus the prayer clause (a) in the application, according to the defendant, does not survive. In accordance with the policy guidelines for uplinking of television channels from India, the defendant is statutorily required to maintain log report only for the past three months. Therefore, the respondent does not hold log reports for the

month of August, 2020 till September, 2021. Hence, prayer clause (b) seeking information on an affidavit is also legally unsustainable. The tenability of the application is also assailed on the count of inordinate delay in approaching the Court.

12. On merits, the defendant contends that the plaintiff's content was disseminated by the defendant as a responsible news agency as a part of its regular and ordinary course of business i.e. report news and other programmes. Such use of the plaintiff's content by the defendant is permissible under section 52 of the Copyright Act, 1957, as it is covered under the doctrine of 'fair dealing'.

13. According to the defendant, the defendant only disseminated the plaintiff's content as a part of its regular program and not to individually and otherwise commercially exploit the plaintiff's material for their own personal benefit. Even otherwise, the instant action is barred by the principle of *de minimis non curat lex*. The defendant had used the plaintiff's content only for extremely limited and short span of time in their regular and ordinary programs, contends the defendant. The defendant's action of disseminating the plaintiff's content was bonafide. Even after the benefit of *de minimis* is not granted to the defendant. The alleged violation is not

substantial enough for the plaintiff to maintain the action for infringement of copyright. Hence, the plaintiff is not entitled to any relief.

14. A counter is filed on behalf of the plaintiff.

15. I have heard Mr. Rashmin Khandekar, learned counsel for the Plaintiff and Mr. Aman Kacheria, learned counsel for the defendant. With the assistance of the learned counsels, I have perused the material on record.

16. In view of the nature of the counter put forth on behalf of the defendant, the controversy between the parties lies in a narrow compass. The claim of the plaintiff that it holds copyrights in a number of cinematographic films, including audio-visual songs and audio-visual scenes, dialogue clips therein is not seriously in contest. Indisputably, a non-exclusive right to exploit the content in which the plaintiff holds the copyright was granted to the defendant vide agreement dated 13<sup>th</sup> July, 2018 and 19<sup>th</sup> July, 2019. The duration of the last agreement was upto 30<sup>th</sup> June, 2022.

17. It is incontestible that the defendant expressed a desire to

discontinue the said agreement probably on account of the situation which arose due to Covid 19 pandemic. In the communication dated 17<sup>th</sup> July, 2020 the defendant sought to terminate the said non exclusive license agreement as the Covid 19 pandemic adversely affected the economic scenario. In response thereto, on 30<sup>th</sup> July, 2020 the plaintiff accepted the request for termination upon certain terms, which were affirmed by the defendant. It was, inter alia, provided that using the plaintiff's content without having a valid license would constitute infringement of the plaintiff's copyright.

18. In the aforesaid setting of the matter, Mr. Khandekar, learned counsel for the plaintiff strenuously submitted that defendant having taken a license for a valuable consideration in the past, for exploitation of the plaintiff's content, can not now turn around and contend that the unauthorized exploitation of the content in which the plaintiff has the copyright, either amounts to a 'fair dealing' or deserves to be ignored on the principle of *de minimis non curat lex*. Mr. Khandekar banked upon a table (Exhibit M) which tabulates the instances of unauthorized exploitation of the plaintiff's content post termination of the license agreement with details of the program, date and time, the work in which the copyright was infringed, its duration etc. Mr. Khandekar would urge that the claim of the



plaintiff that the defendant has exploited the content in which the plaintiff holds the copyright has gone virtually untraversed. In the circumstances, it is necessary to restrain the defendants from further unauthorized exploitation of the content in which the plaintiff has copyright.

19. Mr. Kacheria, learned counsel for the defendant, on the other hand, would urge that in the context of the breach complained i.e. in the month of August, 2020, the application for interim relief does not deserve to be countenanced at this length of time. An effort was made to demonstrate that the claim for damages is highly inflated and not at all particularized. Mr. Kacheria further submitted that even if it is assumed that the content was exploited by the defendant, it only amounts to a fair dealing by the defendant in the process of dissemination of information. Moreover, having regard to very small duration, hardly lasting a minute, the principle of *de minimis non curat lex* is required to be applied and the alleged infringement, thus, becomes non-actionable.

20. Mr. Khandekar joined the issue by canvassing a submission that the benefit of fair dealing cannot be claimed where content is commercially exploited in breach of copyright. The defence of *de*

*minimis*, is also of no avail to the defendant as the exploitation has been persistent and in respect of number of works in which the plaintiff holds the copyright. In fact, the defendant continued to exploit the content of the plaintiff as if the license agreement still authorized the defendant to do so. In such a situation, the defendant needs to be restrained, lest the plaintiff would suffer irreparable loss, submitted Mr. Khandekar.

21. Section 14 of the Copyright Act, 1957 expounds what a copyright means. The relevant part of section 14 reads as under:-

14. Meaning of Copyright.— For the purposes of this Act, “copyright” means the exclusive right subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely:—

(a) in the case of a literary, dramatic or musical work, not being a computer programme:—

- (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 in relation to the work in sub-clauses (i) to (vi);

(b).....

(c).....

(d) in the case of a cinematograph film,—

- (i) to make a copy of the film, including—
  - (A) a photograph of any image forming part thereof; or
  - (B) storing of it in any medium by electronic or other means;
- (ii) to sell or give on commercial rental or offer for sale or for such rental, any copy of the film;
- (iii) to communicate the film to the public;

(e) in the case of a sound recording,—

- (i) to make any other sound recording embodying it [including storing of it in any medium by electronic or other means];
- (ii) to sell or give on commercial rental or offer for sale or for such rental, any copy of the sound recording;
- (iii) to communicate the sound recording to the public.

22. Section 51 of the Copyright Act, 1957, postulates the situations in which copyright in a work shall be deemed to be infringed. Clause (a) is relevant for the determination of the controversy at hand:-

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.

23. Section 52 enumerates the cases which shall not constitute

infringement of copyright. Clause (a) of sub section (1) of section 52 is relevant for the determination of the case at hand.

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.

24. The defendant contends the use of audio visual songs clip(s), scenes and dialogue clip(s) during the course of dissemination of news/ information, falls within the ambit of ‘fair dealing’ for the purpose of reporting of current event and current affairs.

25. To bolster up this submission, Mr. Kacheria, learned counsel for the defendant placed a very strong reliance on the judgment of Delhi High Court in the case of **Super Cassette Industries Ltd. vs. Hamar Television Network Pvt. Ltd. And Another**<sup>1</sup> wherein after advertng to the various pronouncements of Indian as well as

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<sup>1</sup> IA.No.12926/2009 in CS(OS) No.1889/2009.

foreign Courts, the learned single Judge of Delhi High Court, culled out the principles of law on the aspect of 'fair dealing' in paragraph 9. Some of the principles formulated by the learned single Judge are extracted below:-

(i) It is neither possible nor advisable to define the exact contours of fair dealing;

(ii) It is a question of fact, degree, and at the end of the day overall impression carried by the court;

(iii) In ascertaining whether extracts taken from copyrighted work have been put to fair use, the extent and the length of the extracts may be relevant. Long extracts followed by short comments may in certain circumstances be unfair, while short extracts followed by long comments may be fair. In certain circumstances even small extracts, which are taken, on regular basis may point to unfair use of the copyrighted work;

(iv) The right to make fair use or to deal fairly with the copyrighted work includes the right to criticize not only the style, but also as the underlying doctrine or philosophy of the copyrighted work. In this regard criticism could be both "strong" and "unbalanced". Such criticism by itself will not result in forfeiture of the defence of fair dealing. Malicious and unjustified criticism may give to the aggrieved party a cause for instituting an action for defamation but it would certainly not confer a right founded in copyright;

(v) In ascertaining as to what would constitute reportage of "current events" or would fall within the ambit of "criticism" or "review", Courts ought to adopt a liberal approach;

(vi) In discerning as to whether a person has made fair use of copyrighted work, the standard employed ought to be that of a "fair minded" and "honest person". In the case of musical works the test would be that of a "lay hearer";

(vii) While examining the defence of fair dealing, the length and the extent of the copyrighted work which is made use of, as indicated in clause 3 above,

is important, however, it cannot be reduced just a quantitative test without having regard to the qualitative aspect. In other words, enquiry ought to be made as to whether the impugned extract forms an essential part of the work of the person in whom inheres the copyright. This may be particularly true in the case of musical works where a few notes may make all the difference;

.....

(xi) The motive of the user shall play an important role in assessing as to whether injunction ought to be granted;

(xii) Commercial use of copyrighted work cannot simplicitor make it unfair; and

(xiii) Lastly, "transformative use" may be deemed in certain situations as fair use of copyrighted work.

26. Reliance was also placed on a Division Bench judgment of Delhi High Court in the case of **India TV Independent News Service Pvt. Ltd. and Ors. vs. Yashraj Films Pvt. Ltd.**<sup>2</sup> wherein the Delhi High Court, considered the defence of 'fair dealing' as well as the '*de minimis*'. As to what constitutes a 'fair dealing', the Delhi High Court, after advertent to the statute in the USA and the principles enunciated by the precedents in India, observed that four factors determine whether it is a case of fair use. These are :-

- (i) The purpose of character of the use, including whether such use of a commercial nature or is for non-profit educational purpose.
- (ii) The nature of copyrighted work.
- (iii) The amount and substantiality of the portion used in

<sup>2</sup> FAO (OS) 583/2011 Dt.21-08-2012.

relation to copyrighted work as a whole.

(iv) The effect of the use upon the potential market or value of the copyrighted work.

27. As regards the application of the maxim *de minimis*, the Delhi High Court enumerated five commonly considered factors as under:-

- (i) The size and type of harm;
- (ii) The cost of adjudication;
- (iii) The purpose of violated legal obligation and
- (iv) The effect on the legal rights of the third party
- (v) The intention of the wrong work

28. In the facts of the said case, the Court found that the violation of the legal obligation in using the sound recording, “*Mera Chain Vain Sub Ujhda*” was to create consumer awareness and not for the purpose of any financial gain to the advertiser. Thus, the infringement was covered by the doctrine of *de minimis*. Likewise, the recitation of few lyrics of the copyrighted work by singer Vasundhara Das was for the purpose of encapsulating the life journey of Vasundhara Das and would hardly cause any harm to the copyright owner of the sound recording therein.

29. Whether the aforesaid principles can be legitimately made applicable to the facts of the case is the moot question ?

Uncontroverted facts, adverted to above, bear upon the answer to the aforesaid question. The fact that the defendant had obtained a non exclusive license to broadcast and exploit the content in which the plaintiff had copyright, cannot be lost sight of. The duration of the last agreement was upto 30<sup>th</sup> June, 2022. The said license to exploit the copyrighted content was subject to payment of license fee. The defendant got the license terminated as the then prevailing pandemic situation had impacted its revenue. Immediately after the termination of the license agreement, the plaintiff alleges, there was breach of legal obligation on the part of defendant not to use the content of the plaintiff without license. As indicated above, the defendant had accepted the said condition whilst premature termination of the license agreement.

30. The defence of fair dealing and *de minimis* are required to be seen through the aforesaid prism. It is not the case of the defendant that there was a qualitative change in the nature of the exploitation; during the continuance of license agreement and post termination. If for an identical activity, the defendant had obtained license for valuable consideration, on first principles, these defences may not be readily available to the defendant.



31. The material on record indicates that the content of the plaintiff was used by the defendant in connection with its various programmes. It is not only the duration of the exploitation which matters. There is a qualitative element as well in deciding both the aspects of fair dealing and *de minimis*. The length and extent of the copyrighted work, infringement of which is complained of, is undoubtedly of vital importance. However, it could not be reduced to just a quantitative test of minute and seconds *dehors* the qualitative aspect. The submission on behalf of the defendant that the exploitation was hardly for a minute, therefore, does not carry the matter thorough.

32. The purpose for which the content was used without license also assumes critical significance. The plaintiff has asserted that the content of the plaintiff was used in infringement of plaintiff's copyright therein, for commercial purpose. At this juncture, in the context of the nature of the activity engaged in by the defendant, where advertising constitutes the primary source of revenue, onus rests on the defendant to demonstrate that the content was used for the purpose of reporting on current events and affairs. The defendant chose not to place any material on record in support of its claim that the content was used as a part of its ordinary and regular

course of business and reporting news and programmes. In contrast, the table at annexure M, adverted to above, indicates that the contents were used in programmes titled “*Bollywood ki Mout Mistri*”, “*Surili Rakhi*”, “*Bollywood Mashup*” “*Filmy Chakkar*”, “*Filmy Funda*”, “*Azadi Ke Ansune Kisse*” “*Kahani Rakshabandhan Ki*” etc. wherein audio visual content, clips and dialogue clips of various cinematographic films in which the plaintiff claims copyright were used.

33. In the face of the aforesaid material, it would be rather difficult to draw an inference that the breach of the obligation on the part of defendant, especially in the context of the prior exploitation of the plaintiff's content under license regime, would amount to fair dealing and can be condoned on the basis of principle of *de minimis*.

34. I am therefore persuaded to hold that the plaintiff has succeeded in establishing a strong prima facie case. In the circumstances, the balance of convenience heavily tilts in favour of the plaintiff. If injunctive relief is not granted, the defendant would, in fact, continue to enjoy the benefits under the license agreement despite voluntarily terminating the same. This would result in irreparable loss to the plaintiff. Hence, the plaintiff is entitled to ad-

interim relief.

Hence, the following order.

**ORDER**

- 1] There shall be ad-interim relief in terms of prayer clause (a) and (b).
- 2] The defendant shall file affidavit in terms of prayer clause (b) within a period of one week from today.
- 3] It is clarified that the defendant would be at liberty to bank upon the policy guidelines for uplinking and downlinking of television channels in the matter of maintaining record of the content uplinked.
- 4] The application be now listed on 9<sup>th</sup> June, 2022.
- 5] The defendant is at liberty to file a further affidavit in reply, if desired to, within the said period and serve its copy on the plaintiff.

**(N.J.JAMADAR, J.)**