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REPORTABLE

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION
INTERIM APPLICATION (L) NO. 5011 OF 2020
IN
COMMERCIAL IP SUIT NO. 2 OF 2021**

Sanjay Soya Private Limited
A company incorporated under the
companies act, 1956, having its registered
office at T-1, 6th floor, Sunbeam
Chambers, 7th Vithaldas Thackersey, New
Marine Lines, Mumbai 400 020, India

... Plaintiff

~ v e r s u s ~

Narayani Trading Company
At Post Khandesh Oil Mill Compound
Pawar Wadi, Chalisgaon 424101, Jalgaon,
Maharashtra

... Defendant

ARUN
RAMCHANDRA
SANKPAL

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FOR THE PLAINTIFF **Mr Rashmin Khandekar, with Ms Janhvi Chadha and Mr Hardik Sampat, i/b Krishna and Saurasri Associates LLP.**

FOR THE DEFENDANT **Mr Pritesh Burad, with Ms Amruta Patil & Mr Mitesh Visaria, i/ b Pritesh Burad Assoicates.**

JUDGMENT PRONOUNCED ON : 9th March 2021

ORAL JUDGMENT:

- 1. This order will dispose of the present Interim Application in this suit for trade mark and copyright infringement.**
- 2. The trade mark in question is a label mark, not a word or a device mark. Apart from trade mark registration, the Plaintiff, Sanjay Soya Private Limited (“Sanjay Soya”), also claims copyright in the artistic work comprised in the label. On the footing that an image is more eloquent than a thousand words, I begin by reproducing images of the two rival marks and artistic works, taken from paragraph 21 of the Plaint. On the left is the packing used by Sanjay Soya. On the right is what is used by the Defendant, Narayani Trading Company (“Narayani Trading”).**

Plaintiff's product bearing its label/mark	Defendant's impugned product bearing the impugned label/mark
	

3. The predominant colour of Sanjay Soya's label/ artwork is yellow. This is a colour associated with gold, oils or lemons. The package itself is rectangular. Across roughly the middle of the packing is a broad band in red. Across this are the words "SOYA DROP". These are rendered in white block letters with a drop-shadow effect and in a somewhat cinematic curvilinear fashion so that the beginning and ending letters are larger in size than the ones in the middle. In straight white lettering below this in all capitals are the words "SOYABEAN REFINED OIL". At the centre of the red band is a green oval device, inset in which we find the words 'Naturally Healthy'. Above this oval device is an image of a family of four, a husband, wife and two children, a boy and a girl. Below the red band

are depictions of scattered soybeans, and overlaid on them is a shiny yellow teardrop device supposed to resemble or evoke a drop of oil. There are other marks at the top and bottom. At the top right corner is a small red rectangle with a green oval device at its top centre, also inset with the words ‘Naturally healthy’.

4. Narayani Trading’s label uses very nearly — or indistinguishably the same — principal background colour. It also has a central red band. On this are the words “SOYA AMRUT”. There is again a slightly oval green device at the top centre of the red band. Inset in this are the words ‘Refined Soyabean Oil’. An image of a family of four, differently positioned from the one in the Sanjay Soya label, but still a family of four with two children, one male, one female, is positioned above the green oval device. Below the red band are also soybeans, slightly differently shown, and a teardrop oil device.

5. Mr Burad for Narayani Trading says, first, that the two labels are entirely distinct; no one will mistake one for the other. The points of distinction are many and are easily discernible. That argument is only to be stated to be rejected. The key features, integers or elements that I have described in Sanjay Soya’s label all find place in Narayani Trading’s label with only minor variations. These variations are too irrelevant to warrant consideration. From a look at these products, it would be possible to tell one from the other. That is indeed the only test when it comes to trade mark infringement, passing off or copyright infringement. So far as copyright infringement is concerned, it is sufficient to note that a very substantial part of Sanjay

Soya's label has been taken up by Narayani Trading and used in its product.

6. With this, I now turn to the factual background. On 26th October 2020, Mr Justice KR Shriram made an ad-interim order. The matter was then adjourned periodically after Mr Burad entered appearance. There are several affidavits now filed in the Interim Application. I have considered these with the assistance of Mr Khandekar for Sanjay Soya and Mr Burad for Narayani Trading.

7. The factual narrative in the Complaint runs, briefly, like this. Sanjay Soya has been manufacturing and selling edible oils of various kinds, including soyabean oil, for many years. Narayani Trading is a sole proprietorship. Sanjay Soya was incorporated on 17th February 2004. It claims to have the necessary ISO certifications for quality and other certifications. Sanjay Soya says that it is the successor-in-title of one SK Oil Industries ("SK Oil"). It claims that in May 2003, SK Oil adopted the label, mark and artistic work in relation to edible oil. This has the distinctive get up, layout and schematic arrangements that I have described above, and which is also described in paragraph 7 of the Complaint.

8. Paragraph 8 of the Complaint is important for the purposes of this order. It reads thus:

"8. The said label was designed by an employee of S. K. Oil Industries, during the course of employment, by exercising skill, judgement and effort. The said label is an original artistic work within the meaning of section 2(c) of the Copyright Act, 1957. S. K. Oil Industries was therefore

the owner of copyright subsisting in the said artistic work/ label by virtue of the provisions of section 17 of the Copyright Act, 1957.”

9. Then in paragraph 9, Sanjay Soya says that it and SK Oil are affiliates under common management and control. There is a specific assertion that in December 2004, SK Oil assigned all its right, title and interest in this label mark and artistic work along with the copyright and the goodwill to Sanjay Soya. That document comes very late in the Affidavit filings in the Interim Application. It is to be found in an Affidavit filed by Sanjay Soya on 24th February 2021. The Deed of Assignment of 14th December 2004 is at Exhibit “B” from pages 25 to 34 of this document.¹ Recital (1) of the Deed of Assignment says that SK Oil conceived, created, designed and developed a “Sanjay Supreme” label through one Ambadas Ramsingh Rajput. This is not the mark with which the suit is concerned. Recital (2) then says that SK Oil also conceived, created, designed and developed a SOYA DROP label. This is shown in schedule B on page 34. It is the very label and artwork with which we are concerned. Then there is the usual narrative for the reasons for the assignment. The SOYA DROP label is specifically identified in Clause 1.2 of this assignment. The recitals I have mentioned above are repeated in regard to the SOYA DROP label in operative Clause 2.2. Clauses 2.3, 2.4 and 2.5 read thus:

2.3 For commercial expediency and diverse other reasons, and for a consideration of Rs.500/- (Rupees Five Hundred Only), receipt of which the Assignor acknowledges

1 The sequential page numbering seems to be erroneous and I have therefore use the internal page numbering of this Affidavit.

as full and final consideration, the Assignor, hereby irrevocably assigns, conveys and transfer to the Assignee, *in perpetuity* and in respect of the Territory, all right(s), title(s) and interest(s), including but not limited to copyright in any form and rights of reproduction, exploitation, modification and publication and for all languages, in and to the Sanjay Supreme Label/ Artwork and the Soya Drop Label, including without limitation all drawings, designs, sketches, developed in relation thereto and all intellectual property rights, trade mark rights, goodwill and common law rights related thereto.

2.4 Assignor agrees and acknowledges that by virtue of transfer of ownership of rights, title and interest in the Sanjay Supreme Label/ Artwork and the Soya Drop Label under this Agreement, the Assignee shall be exclusively entitled to change, amend, modify, add and (or) remove any part of the Sanjay Supreme Label/ Artwork and the Soya Drop Label at the sole discretion of the Assignee.

2.5 Assignor agrees and acknowledges that the Assignee shall be entitled to exclusively own, use, file, register and secure copyright, trade mark and renewals for the Sanjay Supreme Label/ Artwork and the Soya Drop Label before any authority including statutory authorities in the Assignee's sole name and expense and/or in the name of any other entity designated by the Assignee throughout the Territory *for perpetuity*."

(Emphasis added)

10. I have troubled with this because Mr Burad has attempted an argument questioning the validity of this assignment. That submission does not commend itself. Narayani Trading is an outsider to this agreement. It has no standing to question or impeach this

document; only the transacting parties may do that, or someone who independently claims this copyright (and says, therefore, it was not SK Oil's to assign). Narayani Trading makes no such claim. It has set up no independent claim to the SOYA DROP label or artwork. It is not for Narayani Trading to say whether this assignment Deed was or was not properly 'authorised'.

11. The further argument that the assignment was for a limited period of five years will also not assist. Even if that is true, all that would happen would be that the copyright would revert to SK Oil and nothing more. But as it happens, on facts, the assignment in Clause 2.3 is clearly in perpetuity. It says so.

12. To return to the narrative, in paragraph 10 of the Complaint, Sanjay Soya says that on 16th May 2007, it filed an Application No. 1559233 to register this label as a label mark in class 29 in relation to edible oils included in that class. That application proceeded to registration on with a disclaimer that the registration would give no right to exclusivity over the descriptive matters appearing on the label. This is as it should be. Sanjay Soya does not claim exclusivity in the words *Soya, Drop, Naturally, Healthy* or any of the other descriptive items in the label. It cannot seriously be disputed that Sanjay Soya is the registered proprietor of the label mark SOYA DROP (shown above) in class 29. Copies of the trade mark application, Trade Mark Journal copy, and the legal proceedings certificate are annexed.

13. Mr Khandekar for Sanjay Soya invites attention to paragraph 11 of the Complaint, which contains a submission that the label is an

original artistic work within the meaning of Section 2(c) of the Copyright Act. Being the assignee, Sanjay Soya is the proprietor of the copyright in the original and distinctive artwork comprised in the label.

14. Sanjay Soya says that it has used the mark, with some variants, openly and continuously since adoption. It vends oil in packages of various quantities. The products are available both in retail and online. It claims these are popular. The sales in 2013-14 were Rs.47 crores and in 2019-20 are now Rs. 113 crores. The cumulative revenue of all products under this label and mark for the period from 2013-14 to 2019-20 is Rs.563 crores. There are several sample invoices annexed. A statement of annual revenue certified by a Chartered Accountant is also made available. There are averments regarding media and publicity and the fact that Sanjay Soya has spent nearly Rs. 44 lakhs to promote its products under various trade marks. Details of these promotions are also provided.

15. The submission is that these have all built and augmented Sanjay Soya's reputation and goodwill under the mark. There is also an assertion that, from the label and the artwork, consumers identify these goods exclusively with Sanjay Soya. Hence Sanjay Soya's assertion of its entitlement to statutory and common law protection. The relevant submissions are to be found in paragraphs 14 to 17 of the Complaint.

16. According to Sanjay Soya, around 15th October 2020, one of its dealers in Chalisgaon informed it that Narayani Trading was using

the rival trade dress and label for similar soyabean edible oil products.² Sanjay Soya's dealers attempted to buy a sample of Narayani Trading's rival products but allegedly found that this was without a proper invoice or a bill. There is an allegation that Narayani Trading's product is "counterfeit".

17. Paragraphs 19 to 26 and 29 of the Complaint contains the necessary submissions and assertions invoking the law. In brief: Sanjay Soya claims that Narayani Trading has entirely lifted and unauthorisedly and illicitly copied Sanjay Soya's registered label mark and the copyright-protected artistic work in the label. It says that Narayani Trading's label is a reproduction and an illicit copy of a substantial part of Sanjay Soya's original and distinctive artwork. The submission is that the two are visually and conceptually identical. So far as the label mark is concerned, Narayani Trading's mark is identical with or confusingly and deceptively similar to that of Sanjay Soya. It is used in relation to identical or similar goods. There is every chance of confusion and deception. Narayani Trading's adoption of the label mark is dishonest, not bona fide, with an ulterior motive and intended to trade upon and encash the goodwill, recognition and reputation of Sanjay Soya's business. Narayani Trading has, Sanjay Soya submits, attempted to piggyback on Sanjay Soya's reputation.

2 There is a discrepancy between the Complaint that is part of the original Court record and the copies that are with the Plaintiff's and the Defendant's Advocates. The Court copy in paragraph 18 mentions Jalgaon, not Chalisgaon. Advocates on both sides have a version that mentions Chalisgaon, not Jalgaon. I will require the Registry to reconcile these. There can be only one original record. The Plaintiff will ensure that it is the correct copy that is retained as the Complaint because this will be essential for the trial of the matter and for the further progress of the Suit. From this point on, I will be using a copy of the Complaint provided by the Advocates for Sanjay Soya.

Its attempt is to adopt a mark that is as close as possible and indeed indistinguishable from Sanjay Soya's label, mark and artwork. There is an active misrepresentation with an attempt to deceive and mislead consumers and, therefore, to pass off Narayani Trading's product as that of Sanjay Soya. Indeed, the submission is that Narayani Trading does not manufacture the product at all. Narayani Trading's label clearly says that the product has only been packaged and marketed by Narayani Trading. There is, therefore, a question about the quality standard control, if any, exercised by Narayani Trading.

18. The next assertion is that Sanjay Soya is the prior user of the registered label mark. It also holds copyright in the artistic work. The relief sought, therefore, in the Interim Application is for injunctions in both trade mark and copyright infringement, passing off and for the appointment of a Court Receiver to seize and seal Narayani Trading's products under the offending or rival label mark and artistic work.

19. Apart from the contentions that I have already noted above, Mr Burad's submissions in response run like this.

20. *First*, he denies that Sanjay Soya has any copyright in its artistic work. Extending this further, he says that its predecessor-in-title could not and did not have copyright in the work either. This is apart from his challenge to the correctness of the assignment with which I have already dealt with. According to Mr Burad, on a reading of Sections 17 and 19 of the Copyright Act, no copyright in this artistic work would have vested in SK Oil. Section 17 in Chapter IV deals with the first owner of copyright. It reads thus:

17. First owner of copyright.— Subject to the provisions of this Act, the author or a work shall be the first owner of the copyright therein:

Provided that —

(a) in the case of literary, dramatic or artistic work made by the author in the course of his employment by the proprietor of a newspaper, magazine or similar periodical under a contract of service or apprenticeship, for the purpose of publication in a newspaper, magazine or similar periodical, the said proprietor shall, in the absence of any agreement to the contrary, be the first owner of the copyright in the work insofar as the copyright relates to the publication of the work in any newspaper, magazine or similar periodical, or to the reproduction of the work for the purpose of its being so published, but in all other respects the author shall be the first owner of the copyright in the work;

(b) subject to the provisions of clause (a), in the case of a photograph taken, or a painting or portrait drawn, or an engraving or a cinematograph film made, for valuable consideration, at the instance of any person, such person shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;

(c) in the case of a work made in the course of the author's employment under a contract of service or apprenticeship, to which clause (a) or clause (b) does not apply, the employer shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;

(cc) in the case of any address or speech delivered in public, the person who has delivered such address or speech or if such person has delivered such address or speech on behalf of any other person, such other person shall be the first owner of the copyright therein notwithstanding that the

person who delivers such address or speech, or, as the case may be, the person on whose behalf such address or speech is delivered, is employed by any other person who arranges such address or speech or on whose behalf or premises such address or speech is delivered;

(d) in the case of a Government work, Government shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;

(dd) in the case of a work made or first published by or under the direction or control of any public undertaking, such public undertaking shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein.

Explanation.— For the purposes of this clause and section 28-A, “public undertaking”, means —

(i) an undertaking owned or controlled by Government;
or

(ii) a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956); or

(iii) a body corporate established by or under any Central, Provincial or State Act;

(e) in the case of a work to which the provisions of section 41 apply, the international organisation concerned shall be the first owner of the copyright therein:

Provided that in case of any work incorporated in a cinematograph work, nothing contained in clauses (b) and (c) shall affect the right of the author in the work referred to in clause (a) of sub-section (1) of section 13;.”

21. Section 17 says that the author of a work is the first owner of copyright. Section 2(d), in relation to an artistic work, defines an author to mean the artist. Mr Burad submits that SK Oil, a commercial entity, could never itself be the ‘artist’ and therefore acquired no copyright. The argument overlooks provisos (a), (b) and (c) in the context of artistic works. This is not a matter to which Narayani Trading can ever attest as a matter of its knowledge, i.e., that the artistic work was *not* done by a person in the employment of, or engaged by, SK Oil. There is no requirement that the person who actually sketched or drew the artwork must be identified and that, even if employed full-time and charged with doing this work, he would be the holder of copyright and not his employer; clause (c) of the proviso covers exactly this situation.

22. Mr Burad’s next attempt is to draw a distinction between the label and the artistic work. He maintains that the label mark is a registered trade mark and therefore cannot be an artistic work. There is no such dichotomy. This necessarily implies that trade mark registration and copyright protection are distinct and disjunctive. A person may have one or the other but cannot have both, he submits. This is wholly incorrect. The artistic work is the label, and the label is the artistic work. This is true of almost every type of commercial art and commercial graphic design, from labels on wine bottles to the packaging of soap. The label has registration under the Trade Marks Act. The original artistic work, an integral and inseverable part of the label, receives copyright protection.

23. Mr Burad says ‘further documents’ are necessary to establish copyright. This is incorrect. He questions ‘the sweat of the brow’ said

to have gone into the making of a label. Again, that cannot be a defence available to Narayani Trading.

24. As I see it, Narayani Trading has only two possible defences. One is to show that Sanjay Soya or SK Oil's artwork and label is not original at all. That can only be done by showing that there were others who used the same — or a substantially similar — label before SK Oil and Sanjay Soya, i.e. before 2003–04. This would completely oust any claim that Sanjay Soya might have had to copyright. Narayani Trading is unable to show this.

25. The second line of defence is possibly a variant of the first: Narayani Trading would have to show that, prior to Sanjay Soya or SK Oil's use of this artistic work and label, Narayani Trading had itself used the very artwork that they now use. Narayani Trading would have to show prior use of the present label. Again, the consequence would be the same, to defeat the claim of originality by Sanjay Soya in the artistic work in its label.

26. Narayani Trading achieves neither objective. The interim application would ordinarily have ended here, but for the decision that Mr Burad now proceeds to cite.

27. He draws my attention to a decision of a learned Single Judge of this Court in *Dhiraj Dharamdas Dewani v Sonal Info Systems Pvt Ltd And Others*.³ This was a decision rendered on 6th March 2012. The decision holds that registration under the Copyright Act is

3 2012 (3) Mh LJ888.

mandatory before a plaintiff can claim relief, civil or criminal, under the Copyright Act. The matter came up in appeal from the District Court. The appellant was the plaintiff. He brought suit under Section 60 of the Copyright Act 1957 for a declaration and a permanent injunction in relation to taxation software. The factual details are not relevant. After considering some of the provisions of the Copyright Act and in particular Sections 14, 17, 21, 44, 45, 47, 48, 50-A, 51, 62(1), 63, 63-B and 64, the learned Single Judge concluded in paragraphs 26 and 27:

“26. Reading of the above penal provisions of sections 63, 63-B and 64 the Copyright Act clearly show that a person knowingly making use of a computer by infringing copy of a computer programme shall be criminally liable. It is well settle that provisions relating to penal provisions are required to be interpreted strictly. Now if there is no registration of copyright by its owner and such owner of a copyright is not known to the infringer due to non-registration of the copyright he still would be held criminally liable under these provisions. To make a person liable criminally, it will have to be shown that such a person was fully knowing about the owner of the copyright and that he indulged in infringing the said copyright despite knowing the ownership thereof. If registration is not made and published in the official gazette such infringer cannot be expected to be aware nor can he be attributed knowledge about the ownership of the copyright of a particular copyright owner and in that event the criminal Court would not be able to convict such a person. That my lead to chaotic situations. Similarly, reading of Section 64 regarding power of police to seize shows that police officer will have to get himself satisfied that a particular person (complainant) is the owner of copyright and he will be so satisfied if such a copyright is registered. When both the complainant and the alleged

infringer claim that their product was launched first and that their copyright work was made first, in the absence of registration under section 44 of the Act, how the police officer will be satisfied to proceed to take cognisance. The police officer in that case would not be able to move an inch to effect seizure of the alleged infringing copies. After all the provision regarding seizure is another serious act, which infringes upon the privacy of a person. Hence, the word 'may' used in section 45 of the Act will have to be read as 'shall' having regard to the scheme of the Act of which all materials provisions have been quoted and analysed by me. I am therefore inclined to agree with and to follow the interpretation made by the Division Bench in Andhra Pradesh High Court in AIR 1960 A.P. 415 and Orissa High Court in AIR 1986 Orissa 210.

27. Thus careful survey of the above provisions of the Copyright Act, 1957 to my mind clearly denotes that in the absence of registration under section 44 of the Copyright Act by the owner of the copyright it would be impossible to enforce the remedies under the provisions of the Copyright Act against the infringer for any infringement under section 51 of the Copyright Act. Thus, I answer point No.1 in the affirmative."

(Emphasis added)

28. This decision is entirely per incuriam. It incorrectly notes that there was no decision of the Bombay High Court directly on this point (paragraph 11, last sentence). There were, in fact, *four* previous decisions, all to the contrary, each binding on the *Dhiraj Dewani* court.

29. The first of these is the decision of SH Kapadia J (as he then was) sitting singly in *Burroughs Wellcome (India) Ltd v Uni-Sole Pvt Ltd And Another*.⁴ In paragraph 8, after discussing the essence of copyright, the learned Single Judge noted that there is no provision under the Act that deprives an author of his rights on account of non-registration of the copyright.

30. Oddly enough, *Burroughs Wellcome* was, in fact, cited before the *Dhiraj Dewani* court, as we can see from the listing in paragraph 6 of the latter. But, beyond stating it was placed, there is absolutely no consideration of *Burroughs Wellcome* in *Dhiraj Dewani*. The decision by Kapadia J was clearly binding on the *Dhiraj Dewani* court, which could not have taken a contrary view without considering *Burroughs Wellcome* and distinguishing it.

31. Second, there is the 12th September 2002 decision of SJ Vazifdar J (as he then was) sitting singly in *Asian Paints (I) Ltd v M/s Jaikishan Paints & Allied Products*.⁵ In paragraph 24, the learned Single Judge held:

24. Registration under the Copyright Act is optional and not compulsory. Registration is not necessary to claim a copyright. Registration under the Copyright Act merely raises a prima facie presumption in respect of the particulars entered in the Register of Copyright. The presumption is however not conclusive. Copyright subsists as soon as the work is created and given a material form even if it is not registered. See *Burroughs (I)*

4 1997(3) Mh L J 914.

5 2002(4) Mh L J 536.

Ltd vs Uni Soni Ltd, 1997(3) Mh.L.J. 914. Thus even if the plaintiff's work was not registered, the plaintiff having established that it had created the same prior to the defendant, mere registration by the defendant of its work cannot defeat the plaintiff's claim."

(Emphasis added)

32. *Asian Paints* is not even noticed in *Dhiraj Dewani*.

33. Incidentally, the *Asian Paints* decision is absolutely on point on the question of priority between the plaintiff claiming copyright and the defendant.

34. The third reported decision is that of SU Kamdar J (as he then was) of 25th January 2006 in *International Association of Lions Club v National Association of Indian Lions And Others*.⁶ In paragraph 14, page 32, the Court was of the opinion that registration of copyright was not mandatory; and that registration, if availed, was only prima facie evidence of ownership of a copyright.⁷

35. There is another unreported decision of this Court in *Anand Patwardhan v Director-General of Doordarshan And Others*, to the same effect.⁸

⁶ 2006(4) Mh L J 527.

⁷ This was of course in the context of copyright claimed in a design. But that should make very little difference.

⁸ Order dated 31st March 2009 in Suit No. 2259 of 2004, paragraphs 19 and 20.

36. Any one of these decisions — and each of them — were binding on the learned Single Judge deciding *Dhiraj Dewani* and, at a minimum, if that Court disagreed, have required that a reference be made to the Hon'ble the Chief Justice to constitute a larger bench to decide the question of law. But, necessarily, that would have required each of the four decisions to be considered and would have needed a reasoned order setting out why, in the view of the *Dhiraj Dewani* court, these were wrongly decided. There is no such discussion in *Dhiraj Dewani*.

37. The doctrine of precedent or stare decisis requires that a court is bound by the decisions of not only a larger bench but also of a bench of the same or coordinate strength. Such previous judgements of a bench of coordinate strength cannot be ignored. They are fully binding. The rationale is that there must be a certainty to the law and different judges in benches of the same strength cannot take antipodal views. The earlier binds the later. If the later decision is one made without noticing, or in ignorance of the earlier binding decision, then the later decision is one that must be held to be rendered per incuriam and as not being good law. This must, inevitably, therefore be the fate of the decision in *Dhiraj Dewani*.

38. The law relating to judgements rendered per incuriam and the doctrine of precedent is now well settled. In *Prakash Singh Badal v State of Punjab And Others*⁹ in paragraphs 30 to 32, the Supreme Court reiterated the law. Quoting *Halsbury's Laws of England*,¹⁰ it said that

⁹ AIR 2007 SCC 1274.

¹⁰ 4th Edition, Volume 26.

a decision is rendered *per incuriam* when the Court acts in ignorance of a previous decision of its own or a Court of coordinate jurisdiction which covered the case before it. The *Prakash Singh Badal* Court said that *incuria* literally means ‘carelessness. In practice, *per incuriam* is taken to mean *per ignoratium*. This is, therefore, a relaxation of the rigidity of the rule of stare decisis. This is also the view of the Supreme Court in *State of UP v Synthetics and Chemicals Ltd.*¹¹

39. In *Indore Development Authority v Shailendra*,¹² among the various legal issues considered was precisely the principle of *per incuriam*. Paragraph 206 sets out the principle as

‘signifying decisions rendered in ignorance or forgetfulness of some inconsistent statutory provision or of some authority binding on the Court concerned.’

The concept means that a given decision is in disregard of previous decisions of that Court itself or rendered in ignorance of the terms of an applicable statute or of a rule having the force of law.¹³ There are also observations in paragraphs 57 and 58 of the Supreme Court decision in *Foreshore Cooperative Housing Society v Praveen D Desai*¹⁴ which deal with this aspect of the matter. A decision rendered *per incuriam* is never elevated to the status of precedent.¹⁵ Finally, mere noting a previous binding decision while neither distinguishing it nor

11 (1991) 4 SCC 139.

12 (2018) 3 SCC 412.

13 See also: *Mamleshwar Prasad v Kanahaiya Lal*, 1975 (2) SCC 232.

14 (2015) 6 SCC 412, paragraphs 57 and 58.

15 *State of Assam v Ripa Sarma*, (2013) 3 SCC 63, paragraph 7.

following it will not make the later decision good law.¹⁶ It must be shown that the previous decision which was noted — in this case, *Burroughs Wellcome* — was considered and, for stated reasons, distinguished as being not binding. The *Dhiraj Dewani* judgment does not even attempt to do this. Further, once *Asian Paints* followed (and perhaps amplified) *Burroughs Wellcome*, the *Dhiraj Dewani* court was entirely bound.

40. On all these grounds, therefore, the decision in *Dhiraj Dewani* must be held to be rendered per incuriam and consequently not good law.

41. There is a large body of decisions of other Courts that hold that registration of copyright is not mandatory.¹⁷

16 *Swiss Timing Ltd v Commonwealth Games 2010 Organizing Committee*, (2014) 6 SCC 677, paragraph 20.

17 This may not be a complete listing: (1) *A Sundaresan v AC Thirulokchandar*, (1973) 86 LW 556; (2) *Satsang & Anr v Kiron Chandra Mukhopadhyay*, AIR 1972 Cal 533; (3) *M/s Manojah Cine Productions v A Sundaresan & Anr*, (1975) 88 LW 575; (4) *Deepak Printery v The Forward Stationery Mart*, 1981 (1) PTC 186 (Gu); (5) *Radha Krishna Sinha & Ors v The State of Bihar & Ors*, 1979 Cri LJ 757; (6) *Nav Sahitya Prakash v Anand Kumar & Ors*, AIR 1981 All 200; (7) *Glaxo Orthopedic UK Ltd v Samrat Pharma*, AIR 1984 Delhi 265; (8) *R Madhavan v SK Narayan*, AIR 1988 Ker 39; (9) *K Marari v Muppala Ranganayakamma*, MANU/AP/0276/1987; (10) *KC Bokadia & Ors v Dinesh Chandra Dubey*, 1999 (1) MPLJ 33; (11) *Zahir Ahmed v Azam Khan*, 1995 SCC OnLine 433; (12) *BN Firos v State of Kerala & Ors*, 2006(2) KLJ 396; (13) *Rajesh Masrani v Tahiliani Design Pvt Ltd*, AIR 2009 Del 44; (14) *M Radhakrishnan, Mavelikkara v Surabhi Publication, Kottayam & Ors*, 2016 SCC OnLine Ker 13198; (15) *Thomas KO (Fr) v State of Kerala & Ors*, ILR 2017 2 Kerala 155.

42. The *Dhiraj Dewani* court was persuaded to follow the contrary view of other High Courts to the effect that registration is mandatory. Mr Burad attempts to do precisely that even today.¹⁸ In view of the binding decisions of this Court, it is not open to me to accept this submission: it would amount to (a) ignoring previous, and binding, decisions of this Court; and possibly (b) overruling the decisions of four benches of coordinate jurisdiction and strength. This is simply impossible, and is not a course available to me. It was also not open to the *Dhiraj Dewani* court. The four decisions of this Court to which I have referred are all binding on me, as they were on the *Dhiraj Dewani* court. They cannot be distinguished. A contrary view is plainly impossible, and it was just as impossible on 6th March 2012 when *Dhiraj Dewani* was decided.

43. Indeed, on principle, it seems to me that the *Dhiraj Dewani* could not possibly have decided as it did. Consider this: (i) the *Burroughs Wellcome* decision was cited, but neither distinguished nor followed, though entirely binding; (b) the other decisions of this court (*Asian Paints*, *Lions Club* and *Anand Patwardhan*), all of benches of coordinate strength, and all binding on precisely the same point, were not even noticed; and (c) the *Dhiraj Dewani* court preferred the Division Bench view of the Madhya Pradesh High Court in *Mishra Bandhu Karyalaya & Ors v Shivratanal Koshal*,¹⁹ even though this was specifically held not to be good law by a Full Bench to which the question

18 *Mishra Bandhu Karyalaya & Ors v Shivratanal Koshal*, 1969 SCC OnLine MP 35 : AIR 1970 SC 261; *Brundaban Sahu v Rajendra Subudhi*, 1986 (6) PTC 322.

19 1969 SCC OnLine MP 35 : AIR 1970 SC 261.

of law was referred in *KC Bokadia & Anr v Dinesh Chandra Dubey*.²⁰ Curiously, the *Dhiraj Dewani* court itself noted that the *Mishra Bandhu Karyalaya* Division Bench decision had not been followed by a Division Bench of the Kerala High Court.²¹ There is thus no question of Mr Burad being able to commend today that I should prefer the view of the over-ruled Division Bench of the Madhya Pradesh High Court in *Mishra Bandhu*.

44. There is one other decision of another learned Single Judge of this Court in *Gulfam Exporters And Ors v Sayed Hamid And Ors*²² under Section 63 of the Copyright Act 1957, which says in paragraphs 6 and 8 that registration is required. The Single Judge relied on a decision of the Orissa High Court in *Brundaban Sahu v B Rajendra Subudhi*²³ to say that copyright registration was mandatory. This was the finding returned in paragraph 8, and to this extent of this finding, the decision in *Gulfam Exporters* is also per incuriam. It, too, fails to notice the previous decision of this Court in *Burroughs Wellcome*, which is of 3rd July 1997. *Burroughs Wellcome* is not referenced in *Gulfam Exporters*. It was undoubtedly binding. It has not been distinguished. On the question of copyright registration, therefore, *Gulfam Exporters* joins *Dhiraj Dewani* in the class of judgments rendered per incuriam on the question of compulsory registration under the Copyright Act.

20 1999 (1) MPLJ 33.

21 *Dhiraj Dewani*, *supra*, paragraph 11; *R Madhavan v SK Nayar*, AIR 1988 Kerala 39 (DB).

22 2000 (20) PTC 496 Bom.

23 1986 (6) PTC 322.

45. Mr Burad points out that a Special Leave Petition in *Dhiraj Dewani* was dismissed.²⁴ That is so, but the order of dismissal left the question of law open. In any case, an in limine dismissal, it is well settled, does not and cannot amount to a binding pronouncement on law.

46. Even if *Dhiraj Dewani* and *Gulfam Exporters* had not been clearly decisions rendered per incuriam, I would have been of a mind to have that question referred to the Hon'ble the Chief Justice for being placed, if he thought fit, before a larger bench for a decision. *Dhiraj Dewani* has a far more elaborate discussion than *Gulfam Exporters*. But it seems to me to be plainly incorrect on any reading of the Copyright Act, and for several distinct reasons.

47. *Dhiraj Dewani*, at least implicitly, equates or places on the same pedestal registration under Trade Marks Act with registration under the Copyright Act. This is incorrect. The two are entirely distinct. Registration under the Trade Marks Act confers specific distinct rights unavailable to an unregistered proprietor. Important amongst these is the right to sue for infringement. This is only available to a registered proprietor.²⁵ There is no such requirement under the Copyright Act at all. In fact the Copyright Act gives a range of rights and privileges to the first owner of copyright without requiring prior registration. Chapter 10 from Sections 44 to 50A deals with registration of copyright. Section 45 says that the author or publisher or owner or other person interested in copyright in any work “may”

24 On 22nd November 2013.

25 Section 27.

make an application in the prescribed form for entering the particulars of work in the register of copyright. Now Section 51, which speaks of infringement of copyright, does not restrict itself to works that have been registered with the Registrar of Copyright. Notably, the bar we find in Section 27 of the Trade Marks Act is conspicuous by its absence in the Copyright Act. Section 27 of the Trade Marks Act says that no person is entitled to institute any proceeding in regard to infringement of an unregistered trade mark. This is the requirement of prior registration of a mark to be able to maintain a suit for infringement. This is to be distinguished from the common law action in passing off available even to an unregistered proprietor of a trade mark.

48. Interestingly, as Mr Khandekar points out, there was indeed a proposal to make copyright registration mandatory. The Copyright Bill, 1955 contained such a proposal in Clause 65(2). The proposal was that no suit or other proceeding regarding infringement of copyright in any work could be entertained unless the copyright was registered with the Registrar of Copyrights. What we find in the Report of the Joint Committee to which the Bill was referred is that sub-clause (2) was, after deliberation, not found appropriate. It was omitted and was replaced by a new sub-clause. The Joint Committee felt that, as originally contemplated, sub-Clause(2) would:²⁶

“virtually make registration of copyright compulsory and would be an undue restriction on the owner of the copyright to exercise his rights. In the opinion of the Committee, many authors are deterred from instituting infringement

26 The Gazette of India Extraordinary Part II, 14th November 1956.

proceedings because the court in which such proceedings are to be instituted is situated at a considerable distance from the place of their ordinary residence. The Committee feels that this impediment should be removed and the new sub-clause (2) accordingly provides that infringement proceedings may be instituted in the district court within the local limits of whose jurisdiction the person instituting the proceedings ordinary resides, carries on business, etc” .

49. When the Act was finally brought into force, the original sub-clause(2), requiring mandatory registration of copyright, was replaced by the following:

“(2) Where any civil suit or other proceeding regarding infringement of copyright instituted by an exclusive licensee is successful no fresh suit or other proceeding in respect of the same cause of action shall lie at the instance of the owner of the copyright.”

50. The second reason to disagree with the view in *Dhiraj Dewani* is about the nature of the right itself. Copyright and trade mark operate in different spheres, though in some cases — as in the present one — these may overlap or intersect. An artistic work may receive both trade mark registration as a label and copyright protection as an artistic work. One requires registration to sustain a suit for infringement. The other does not. At its essence, copyright is a recognition of originality, granting rights of commercialisation and exclusivity in that commercialisation to the author of a work, a person who, by sweat of his brow, has brought into being the original expression or realisation of an idea. The emphasise is on originality, labour and skill in expression and realisation. This is where there is a

real point of disagreement with the *Dhiraj Dewani* approach. That Court believed that the author of a work — literary or artistic — might be cast into a state of wonderment on completing his or her work as to whether or not his or her work was indeed original or was an infringement of someone else's copyright; and hence that Court said that copyright registration was necessary. But this is conceptually and logically plainly wrong. No forger or plagiarist is ever in any such state of wonderment. Every forger, plagiarist or, to use a more colloquial expression, 'rip-off artist' knows what he or she is about, i.e., forging, plagiarising or 'ripping off' another's original work, *even as he or she goes about doing it.*

51. Section 51 of the Copyright Act says:

51. When copyright infringed.— Copyright in a work shall be deemed to be infringed—

(a) when any person, *without a licence granted by the owner of the copyright* or the Registrar of Copyrights under this Act or in contravention of the conditions of a licence so granted or of any condition imposed by a competent authority under this Act—

(i) does anything, *the exclusive right to do which is by this Act conferred upon the owner of the copyright*, or

(ii) permits for profit any place to be used for the communication of the work to the public where such communication constitutes an infringement of the copyright in the work, unless he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright; or

(b) when any person—

- (i) makes for sale or hire, or sells or lets for hire, or by way of trade displays or offers for sale or hire, or
- (ii) distributes either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright, or
- (iii) by way of trade exhibits in public, or
- (iv) imports into India,

any infringing copies of the work:

Provided that nothing in sub-clause (iv) shall apply to the import of one copy of any work for the private and domestic use of the importer.

Explanation.— For the purposes of this section, the reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film shall be deemed to be an “infringing copy”.

(Emphasis added)

52. This section does not, per se, demand prior registration. It does not say so anywhere; and this has to be read with Section 45(1), which says that the owner of copyright *may* apply for registration. Importantly, copyright infringement lies in the unlicensed use of original works, in which the author has a spectrum of exclusive rights. Copyright theft or infringement lies in taking another’s original work and claiming it as a work of one’s own originality, and thus availing illicitly of those exclusive rights. One of the tests is how much of the claimed original work has been taken up in the later work. There is always the slight escape of the fair use doctrine, but the underlying principle is that no author may claim as his or her own the original authorship work of another. That is the essence of copyright protection. It is unlike the incidents of trade mark law where there is,

in fact, a possibility of concurrent users, joint proprietors or two or more registered proprietors of very similar marks. Not every case by a registered proprietor of a trade mark yields a decree in infringement. Very distinct and different considerations obtain in trade mark law, and these cannot be put on the same pedestal or subjected to the same considerations as copyright law.

53. Indeed this the reason why, a little earlier in this judgement, I noted that Mr Burad's task would be to show that either his client or some other person had used the very label over which Sanjay Soya claims copyright protection before Sanjay Soya, that is to say, there would be no originality at all in Sanjay Soya's label. Clearly, Narayani Trading's use is later, so it cannot itself claim to have been the first author of the artistic work. It cannot also point to anyone else prior to Sanjay Soya or its predecessor-in-title, SK Oil. This necessarily constricts the range of defences that are now available to Narayani Trading.

54. International treaties and obligations to which India is a party also militate against the acceptance of the *Dhiraj Dewani* view that copyright registration is mandatory. The Berne Convention of 1886 (as modified in Paris in 1971), and of which India is a member since 28th April 1928, has three fundamental principles:²⁷

- (a) Works originating in one of the Contracting States (that is, works the author of which is a national of such a State or works first published in such a State) must be given the same protection in each of the other Contracting States

27 https://www.wipo.int/treaties/en/ip/berne/summary_berne.html; accessed on 14th March 2021.

as the latter grants to the works of its own nationals (principle of “national treatment”).

(b) Protection must not be conditional upon compliance with any formality (principle of “automatic” protection).

(c) Protection is independent of the existence of protection in the country of origin of the work (principle of “independence” of protection). If, however, a Contracting State provides for a longer term of protection than the minimum prescribed by the Convention and the work ceases to be protected in the country of origin, protection may be denied once protection in the country of origin ceases.

(Emphasis added)

55. Formal ‘registration’ of copyright as a mandatory requirement would be in the teeth of this Convention requirement. Protection must be ‘automatic’, on the coming into existence of the work in which copyright is claimed.

56. Further, as regards the Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement):²⁸

Under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the principles of national treatment, automatic protection and independence of protection also bind those World Trade Organization (WTO) Members not party to the Berne Convention. In addition, the TRIPS Agreement imposes an

28 Uruguay Round Agreement; Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15th April 1994. <https://wipo.lex.wipo.int/en/text/305907>, accessed on 14th March 2021.

obligation of “most-favoured-nation treatment”, under which advantages accorded by a WTO Member to the nationals of any other country must also be accorded to the nationals of all WTO Members. It is to be noted that the possibility of delayed application of the TRIPS Agreement does not apply to national treatment and most-favoured obligations.

(Emphasis added)

57. An illuminating discussion is to be found in the very recent 2nd March 2021 decision of a three-judge Bench of the Supreme Court in *Engineering Analysis Centre of Excellence Pvt Ltd v Commissioner of Income Tax & Anr.*²⁹ This is particularly appropriate because *Engineering Analysis* also dealt with copyright in a literary work, viz., software, and an associated issue of taxation — *Dhiraj Dewani* was also about copyright in taxation software. The Supreme Court decision, authored by Rohinton Fali Nariman J, inter alia explains the nature of copyright:

35. Though the expression “copyright” has not been defined separately in the “definitions” section of the Copyright Act, yet, section 14 makes it clear that “copyright” means the “exclusive right”, subject to the provisions of the Act, to do or authorise the doing of certain acts “in respect of a work”. When an “author” in relation to a “literary work” which includes a “computer programme”, creates such work, such author has the exclusive right, subject to the provisions of the Copyright Act, to do or authorise the doing of several acts in respect of such work or any substantial part thereof. In

29 Civil Appeal Nos 8733-8734 of 2018, decided on 2nd March 2021; bench of Rohinton Fali Nariman, Hemant Gupta and BR Gavai, JJ.

the case of a computer programme, section 14(b) specifically speaks of two sets of acts — the seven acts enumerated in sub-clause (a) and the eighth act of selling or giving on commercial rental or offering for sale or for commercial rental any copy of the computer programme. Insofar as the seven acts that are set out in sub-clause (a) are concerned, they all delineate how the exclusive right that is with the owner of the copyright may be parted with, i.e., if there is any parting with the right to reproduce the work in any material form; the right to issue copies of the work to the public, not being copies already in circulation; the right to perform the work in public or communicate it to the public; the right to make any cinematograph film or sound recording in respect of the work; the right to make any translation of the work; the right to make any adaptation of the work; or the right to do any of the specified acts in relation to a translation or an adaptation.

36. In essence, such right is referred to as copyright, and includes the right to reproduce the work in any material form, issue copies of the work to the public, perform the work in public, or make translations or adaptations of the work. This is made even clearer by the definition of an “infringing copy” contained in section 2(m) of the Copyright Act, which in relation to a computer programme, i.e., a literary work, means reproduction of the said work. Thus, the right to reproduce a computer programme and exploit the reproduction by way of sale, transfer, license etc. is at the heart of the said exclusive right.

38. Importantly, no copyright exists in India outside the provisions of the Copyright Act or any other special law for the time being in force, vide section 16 of the Copyright Act. When the owner of copyright in a literary work assigns wholly or in part, all or any of the rights contained in

section 14(a) and (b) of the Copyright Act, in the said work for a consideration, the assignee of such right becomes entitled to all such rights comprised in the copyright that is assigned, and shall be treated as the owner of the copyright of what is assigned to him (see section 18(2) read with section 19(3) of the Copyright Act). Also, under section 30 of the Copyright Act, the owner of the copyright in any literary work may grant any interest in any right mentioned in section 14(a) of the Copyright Act by licence in writing by him to the licensee, under which, for parting with such interest, royalty may become payable (see section 30A of the Copyright Act). When such licence is granted, copyright is infringed when any use, relatable to the said interest/right that is licensed, is contrary to the conditions of the licence so granted. Infringement of copyright takes place when a person “makes for sale or hire or sells or lets for hire” or “offers for sale or hire” or “distributes...so as to affect prejudicially the owner of the copyright”, vide section 51(b) of the Copyright Act. Importantly, the making of copies or adaptation of a computer programme in order to utilise the said computer programme for the purpose for which it was supplied, or to make up back-up copies as a temporary protection against loss, destruction or damage so as to be able to utilise the computer programme for the purpose for which it was supplied, does not constitute an act of infringement of copyright under section 52(1)(aa) of the Copyright Act. In short, what is referred to in section 52(1)(aa) of the Copyright Act would not amount to reproduction so as to amount to an infringement of copyright.

(Emphasis added)

58. In this delineation by the Supreme Court of the *rights* of an author of a work, of the owner of copyright, of the concept of copyright, and when and how it can be used, claimed and protected against infringement, *there is no finding at all that prior registration is mandatory before such rights and entitlements are claimed.* Simply put, *Dhiraj Dewani* simply cannot stand against this enunciation of law. It is entirely contrary to the Supreme Court decision in *Engineering Analysis*. Therefore, even if it was not otherwise not good law, it would now stand impliedly over-ruled, as would *Gulfam Exporters*.³⁰

59. The third and final point of sharp disagreement with *Dhiraj Dewani* is its understanding that the jurisdictional provision in Section 62 of the Copyright Act, and which corresponds almost exactly to Section 134 of the Trade Marks Act, establishes what *Dhiraj Dewani* calls ‘a special Court’. In trade mark law, the interpretation of Section 134 has been the subject matter of some controversy. I had occasion to address this in a different context in *Manugraph India Ltd v Simarq Technologies Pvt Ltd*.³¹ That decision contained an analysis of Supreme Court decision in *Indian Performing Rights Society v Sanjay Dalia And Anr*.³² Sections 134 and 62 operate to *supplement* the ordinary provisions of jurisdiction of civil courts under Section 20 of the Code of Civil Procedure 1908 (“CPC”). A registered proprietor of a mark or the owner (not registrant) of copyright may have recourse to the jurisdictional venues in Section 134 or Section 62, in *addition* to those under CPC Section 20. These

30 And possibly every single decision on which Mr Burad relies to suggest that prior registration of copyright is mandatory.

31 (2016) 67 PTC 254 : AIR 2016 Bom 217 : 2016 SCC OnLine Bom 5334.

32 (2015) 10 SCC 161.

special jurisdictional provisions give the trade mark registrant or the copyright owner the additional right to, as it were, drag the defendant to the plaintiff's court. A registered proprietor can sue a defendant where the plaintiff proprietor is situated. A copyright owner can similarly sue a defendant where the copyright owner is situated. Sections 62 and 134 read thus:

62. Jurisdiction of Court over matters arising under this Chapter.— (1) Every suit or other civil proceedings arising under this Chapter in respect of the infringement of copyright in any work or the infringement of any other right conferred by this Act shall be instituted in the district Court having jurisdiction.

(2) For the purpose of sub-section (1), a “district Court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908), or any other law for the time being in force, include a district Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or other proceeding or, where there are more than one such persons, any of them actually and voluntarily resides or carries on business or personally works for gain.

134. Suit for infringement, etc., to be instituted before District Court.—

(1) No suit—

- (a) for the infringement of a registered trade mark; or**
- (b) relating to any right in a registered trade mark; or**
- (c) for passing off arising out of the use by the defendant or any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered,**

shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1), a “District Court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.— For the purposes of sub-section (2), “person” includes the registered proprietor and the registered user.

60. This is therefore not “a special Court” as reasoned by the *Dhiraj Dewani*. This is only an additional jurisdictional facility available to a registered proprietor of a trade mark or the owner of copyright. The finding in *Dhiraj Dewani*, therefore, that for a copyright infringement, recourse to the so-called “special court,” i.e., the court where the registered owner of copyright resides, is unavailable without registration has no foundation in the statute itself. The *Dhiraj Dewani* decision then goes on to say that, without registration, an owner of a copyright may bring suit “in the regular Court” — meaning any of the courts covered by Section 20 of the CPC. This analysis is plainly incorrect. Suing in the court with jurisdiction where the plaintiff copyright holder resides or works is not dependent on registration at all. The owner of a copyright has a panoply of jurisdictional choices, including one that is available only to him (and not to an ordinary plaintiff in a regular civil suit). The

question, therefore, is not of which court, but more properly *for what relief*. This is the contradiction at the heart of *Dhiraj Dewani*: for, if it holds that registration of copyright is compulsory to sue for infringement, then it surely makes no difference at all *where* a suit for infringement is filed, i.e., in the District Court where the plaintiff is or in a Section 20 CPC Court. The rationale behind allowing a trade mark registrant or a copyright owner this additional jurisdictional choice is that the right claimed is in rem, against the world at large. The infringement thus takes place where the proprietor of the trade mark or the owner of copyright resides or works. This is, therefore, no ground to hold that copyright registration is mandatory.

61. Lastly, there is no law or precedent that requires that a declaration that a decision is rendered per incuriam be made only by a hierarchically superior court. The per incuriam law only asks a court — any court — before which a decision is cited as a binding precedent to see, if necessary, whether that decision is good law or, being a decision rendered per incuriam, cannot be good law.

62. Mr Burad's attempts to make fine or nice distinctions between the two labels are of no avail. This is not the established test for copyright infringement. One will not look at the size of a soyabean or the shape or size of the oil teardrop. The difference in nomenclature in the green oval shape device is also immaterial. As I have said, these minor variations are inconsequential. It is impossible to believe, given Sanjay Soya's prima facie established product popularity and reputation, that Narayani Trading was unaware of Sanjay Soya's market presence. I have now noted more than once that Narayani Trading does not show that the artistic work and label was in use

before Sanjay Soya began using it, or before SK Oil began to using it. It cannot show that Narayani Trading was itself a prior user or that the artistic work is of the original authorship of Narayani Trading. The rest must follow as a matter of inescapable, irresistible and ineluctable conclusion: that knowing of Sanjay Soya's presence in the market, of its label and of its artistic work, Narayani Trading illicitly and without bona fide intent adopted a label that is confusingly, deceptively and strikingly similar to that of Sanjay Soya; and in doing so, copied substantially, if not wholly, the artistic work comprised in Sanjay Soya's trade dress and packaging, and of which copyright Sanjay Soya through its predecessor-in-title is indeed the owner.

63. This finally takes us to the consideration of the cause of action in passing off. As we know, this is a common law action for damages in the tort of deceit. In 1978–79, Diplock LJ set out five guidelines for passing off actions in *Erven Warnink v Townend & Sons Ltd*.³³ Oliver LJ in *Reckitt & Colman Products Ltd v Borden Inc*.³⁴ distilled these into the three probanda in the tortious actions in passing off that we now know as the 'Classic Trinity': (i) goodwill owned by a claimant; (ii) misrepresentation; and (iii) damage to that goodwill. The Classic Trinity places on a plaintiff the burden of proving goodwill in its goods or services, trade dress, brand, mark or even the thing itself. That Sanjay Soya has prima facie done. A plaintiff must also show false representation (it matters not that this is unintended) to the public that leads it to believe that the goods or services of the defendant are those of the plaintiff. Fraud is not a necessary

33 [1979] AC 731, 742 (HL). This is the famous 'Advocaat' case.

34 [1990] 1 All ER 873.

element.³⁵ This, too, is achieved by Sanjay Soya for the reasons discussed earlier. The test of deception or its likelihood is that of the common person. Here again, the similarity tests used in infringement actions have a role to play: a court will look to the aural, visual and conceptual similarity. A plaintiff need not prove actual or special damage; a reasonably foreseeable probability is sufficient. As in the case of beauty, similarity and its extent are matters that lie in the eyes of the beholder, and in all intellectual property matters, the beholder is, perhaps unfortunately, in the first instance always the judge tasked with deciding the dispute. We often speak of the impression on a person of imperfect recollection and average intelligence — and whether or not this is meant to refer to judges, I do not know and will not venture to answer. In this case, I would suggest from the images rendered at the start of this judgment, that even a most punctilious individual would be hard put to tell the two apart; and the test is not of the view of such a person. Looking at these two packets on my desk, all I can say is “which is whose? I cannot tell.” That must surely be enough. The response from Mr Khandekar is, of course, to promptly say “that is all”, and to take his seat. For that is really the totality of his case. If a Court cannot tell one from the other, then, in his submission, an order must follow.

64. And so it does.

65. The Interim Application is made absolute in terms of prayer clauses (b), (c) and (d).

35 *Laxmikant V Patel v Chetanbhai Shah & Anr*, AIR 2002 SC 275.

66. I come now to the question of costs. This is a suit in the Commercial Division of this Court. The provisions for costs in the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 are unambiguous. I had occasion to consider these in at least two cases: *Dashrath B Rahthod v Fox Star Studios Pvt Ltd*³⁶ and *DSL Enterprises Pvt Ltd v Maharashtra State Electricity Distribution Company Limited*.³⁷ The general principle is that the losing party pays, and that costs follow the event. If costs are not to be awarded, then reasons must be recorded by the Court.

67. Mr Khandekar submits that the conduct of Narayani Trading warrants not the slightest indulgence. After the ad-interim order of KR Shriram J, Narayani Trading sought registration of the rival label as a label mark, as also registration under the Copyright Act. Now this is indeed very peculiar. What Narayani Trading does not seem to understand is that the act of applying for registration under either of these statutes has its own consequences, and those consequences are adverse. Under the Trade Marks Act, an application like this is an acceptance that Sanjay Soya's label mark is indeed distinctive. The application for registration under the Copyright Act is even more problematic. The reason is that Narayani Trading has throughout said that Sanjay Soya's artistic work is not original. But Sanjay Soya's label is undoubtedly prior in time to that of Narayani Trading. Therefore, if Sanjay Soya's label is not original meriting registration under the Copyright Act, then clearly neither is Narayani Trading's. But the argument works effectively in reverse because Narayani Trading's

36 2018 (1) Mh LJ474.

37 2018 SCC OnLine Bom 544.

label is subsequent to that of Sanjay Soya. This necessarily implies that Sanjay Soya's work is the first work, and Narayani Trading's copyright registration application is an implicit admission of originality in the work itself. Narayani Trading is hoist by its own petard.

68. Section 35 of the CPC as amended by the Commercial Courts Act reads:

35. Costs.—(1) In relation to any commercial dispute, the Court, notwithstanding anything contained in any other law for the time being in force or Rule, has the discretion to determine:

- (a) whether costs are payable by one party to another;
- (b) the quantum of those costs; and
- (c) when they are to be paid.

*Explanation.—*For the purpose of clause (a), the expression “costs” shall mean reasonable costs relating to—

- (i) the fees and expenses of the witnesses incurred;
- (ii) legal fees and expenses incurred;
- (iii) any other expenses incurred in connection with the proceedings.

(2) If the Court decides to make an order for payment of costs, the general rule is that the unsuccessful party shall be ordered to pay the costs of the successful party:

Provided that the Court may make an order deviating from the general rule for reasons to be recorded in writing.

Illustration

The Plaintiff, in his suit, seeks a money decree for breach of contract, and damages. The Court holds that the Plaintiff is entitled to the money decree. However, it returns a finding that the claim for damages is frivolous and vexatious.

In such circumstances the Court may impose costs on the Plaintiff, despite the Plaintiff being the successful party, for having raised frivolous claims for damages.

(3) In making an order for the payment of costs, the Court shall have regard to the following circumstances, including—

- (a) the conduct of the parties;**
- (b) whether a party has succeeded on part of its case, even if that party has not been wholly successful;**
- (c) whether the party had made a frivolous counterclaim leading to delay in the disposal of the case;**
- (d) whether any reasonable offer to settle is made by a party and unreasonably refused by the other party; and**
- (e) whether the party had made a frivolous claim and instituted a vexatious proceeding wasting the time of the Court.**

(4) The orders which the Court may make under this provision include an order that a party must pay—

- (a) a proportion of another party's costs;**
- (b) a stated amount in respect of another party's costs;**
- (c) costs from or until a certain date;**
- (d) costs incurred before proceedings have begun;**

- (e) costs relating to particular steps taken in the proceedings;
- (f) costs relating to a distinct part of the proceedings; and
- (g) interest on costs from or until a certain date.

(Emphasis added)

69. The conduct of a party is thus a relevant consideration when awarding costs under the Commercial Courts Act. I have no doubt that Narayani Trading's conduct warrants an order of costs. The defence taken is utterly frivolous and possibly moonshine.

70. I issued a notice a few weeks ago requiring parties in all commercial matters to keep ready their statement of costs, precisely because of the requirement of costs under the Commercial Courts Act. The emphasis of that Act is to prevent frivolous commercial litigations, frivolous defences and to ensure a quick disposal of commercial matters. The governing statute clearly sees the imposition of costs as one method of achieving this objective.

71. The statement of costs handed in by Mr Khandekar is a total of Rs.4,00,230/- including Court fees, costs up to the ad-interim stage, costs until today, and miscellaneous expenses of Rs.35,000/-. These costs are eminently reasonable. There will, therefore, be an accompanying order of costs of Rs.4,00,230/- against Narayani Trading and in favour of Sanjay Soya. These costs are to be paid within two weeks from today. If not paid within that time, the costs will carry interest, as also permitted under the Commercial Courts Act, at the rate of 6% per annum simple interest.

72. It only remains for me to thank both Mr Khandekar and Mr Burad for the admirable restraint and breadth of mind with which each has conducted his case; Mr Burad notwithstanding the near-impossibility of his client's defence. Their submissions and preparation have been assiduous.

73. I am told that *Dhiraj Dewani* continues to be cited as good law in the district judiciary. Therefore, I request the Registrar OS, the Prothonotary & Senior Master and the Registrar (Judicial-I) to arrange, between them, to forthwith circulate a copy of this Judgment to all Principal District Judges, with an accompanying request to circulate it to all judges under their supervision for future reference.

74. The observations and findings on fact in this judgment are prima facie and for the purposes only of this order.

75. This order will be digitally signed by the Personal Assistant of this Court. All concerned will act on production of a digitally signed copy of this order.

(G.S. PATEL, J.)