

## **Licensing with special emphasis on compulsory licensing**

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### **Abstract**

Whenever a literary work is published then author has exclusive right to use it in any manner. However, in certain cases, the rights of the author are curtailed for the benefit of the society at large. In this paper, I tried to incorporate all the situations in which the work of the author can be used by all the members of our society without reserving exclusive rights of the author and the conditions which are necessary to be fulfilled whenever compulsory licensing is given.

**Keywords:** compulsory licensing, berne convention (paris act, 1971), the copyright act, 1957, unpublished Indian works, licenses for translation of works, international mandate, trips agreement

### **Introduction**

An author employs his labour, skill, time and money to produce any work. These work help in the social, technical and moral development of the society. If the rights of the author is not protected then there will not be any further progress in artistic, dramatic or other types of work. There must be protection of the rights of the author or sweat of the bro. This need was understood by the legislature and fulfilled by the same in the form of the copyright act 1957. Due to this act only author or any person having his permission can enjoy the fruits of his hardship without any interference. But from the practical experiences of our day to day life it will naturally strike in our mind that the absolutely rights given to the author would result in monopoly which is also dangerous for the society at large. In that scenario, every reproduction and communication would require assent to the conditions of the author irrespective of any logic. It would also result into overspending by the needy person. The core functioning of libraries would thus be threatened as creators would themselves always need a permission to use the work of others when creating new work. So, there would not be any further improvement in the past researches. As we all know that any society can develop only and only if there is scope for further research otherwise there will be status quo.

To prevent this extreme situation, copyright act provides for the licensing provision. It is a personal right which can not be transferred except in certain circumstances. It usually involves only some of the rights and not the whole. The exclusive rights granted by copyright law can all be licensed, but they vary depending on local law. Depending on how the work may be used different licenses need to be acquired. For example, the activity of distributing videocassettes of a motion picture will require the license for the right to reproduce the motion picture on a videocassette and the right to distribute the copies to the public. Because the ratio of a television screen is different from that of a wide-screen cinema, requiring the cutting of the wide-screen "ends", it may also be necessary to obtain a license for the right to modify the motion

picture. If the motion picture is to be edited or modified the copyright owner may include control over or approval of the editing process, or of the final result. Existing contractual agreements between the copyright owner and the director, may also require approval from the director to any changes made to the copyrighted work. In common parlance, we interchangeably use the word license and assignment but legally these are quite different from each other. Licensee's rights are subject to the condition of the license while the assignee's rights are equal to the rights of the owner. Licensing should also not be confused with consent.

The copyright act and the rules made thereunder contain elaborate provisions regarding licensing of copyright. It can be exclusive or non-exclusive. It may be limited with respect to time, territory or part of the interest in question where possible or with respect to the particular country. It can be either voluntary or non-voluntary. In the latter case, the license is given by author under compulsion of the statute. Therefore, it is called compulsory licensing. India, being a member of the Berne Convention <sup>[1]</sup>, incorporated the provisions of compulsory licensing in copyright act. According to the Berne convention {under article 9(2)}, the 3 step test given under Stockholm conference 1967 shall be followed i.e. firstly, it should be given under special cases. Secondly, such reproduction shall not conflict with the normal exploration (not all) of the work of the author. Thirdly, it shall not prejudice the legitimate interest of the author. These steps are provided to balance the public and individual interests. In India also these steps are not altogether neglected under the act.

Practically, compulsory licensing is an exception to the copyright act that is typically explained as a safeguard for government by which they might correct market failure. Usually, the copyright holder does receive some remuneration, either set by law or determined through arbitration. Compulsory licensing are widely considered to be a crucial

<sup>1</sup> Berne Convention(Paris Act,1971)

mechanism for creating access where the copyright work in question is unavailable or unfordable. Ss 31 to 32B of the act deal with the compulsory licensing.

This paper focuses on the compulsory licensing as a whole and other related aspects to it.

### **Statutory Provisions under Indian Copyright Act <sup>[2]</sup>**

The provision relating to licensing of the rights comprised in the copyright in a work are contained under Ss.30 to 32B of the act which are as follows-

Section 30 - Scope of the license

Section 30A - Applicability of ss.19 and 19A to the licenses.

Section 31 - Compulsory license in work withhold from public.

Section 31A - Compulsory license in unpublished Indian work.

Section 32 - License to produce and publish translation.

Section 32A - License to reproduce and publish works for certain purposes.

Section 32B - Termination of license issued under the above provisions.

### **Section 30 of the Act <sup>[3]</sup>**

#### **Licences by owners of copyright**

The owner of the copyright in any existing work or the prospective owner of the copyright in any future work may grant any interest in the right by license in writing signed by him or by his duly authorized agent.

Provided that in the case of a license relating to copyright in any future work, the license shall take effect only when the work comes into existence.

Explanation.- Where a person to whom a license relating to copyright in any future work is granted under this section dies before the work comes into existence, his legal representative shall, in the absence of any provision to the contrary in the licence, be entitled to the benefit of the license.

There is no prescribed form for a deed of license. But the following requirements shall be fulfilled-

- 1 The instrument transferring the license in the work is to be in writing.
- 2 It is to be signed by the owner of the copyright or by his duly authorized agent.

If the rights licensed are not specified then it will be presumed that the licensor has licensed all his rights under the act. If the licensee does not exercise the rights licensed to him within one year from the date of the license, the license in respect of that will be deemed to have elapsed unless otherwise specified in the deed.

If the period of the license is not stated then it will be deemed to be valid for five years from the date of license. If the territorial extent is not defined then it will be presumed to extend with in India.

**Note**-the above provision will not apply to licenses made before the coming into force the copyright (amendment) act.

### **Section 31 of the Act <sup>[4]</sup>**

(1). Compulsory licence in works withheld from public- If at any time during the term of copyright in any Indian work which has been published or performed in public, a complaint is made to the Copyright Board that the owner of copyright in the work-

- a. has refused to republish or allow the republication of the work or has refused to allow the performance in public of the work, and by reason of such refusal the work is withheld from the public; or
- b. has refused to allow communication to the public by broadcast of such work or in the case of a record the work recorded in such record, on terms which the complainant considers reasonable; the Copyright Board, after giving to the owner of the copyright in the work a reasonable opportunity of being heard and after holding such inquiry as it may deem necessary, may, if it is satisfied that the grounds for such refusal are not reasonable, direct the Registrar of Copyrights to grant to the complainant a licence to republish the work, perform the work in public or communicate the work to the public by broadcast as the case may be, subject to payment to the owner of the copyright of such compensation and subject to such other terms and conditions as the Copyright Board may determine; and thereupon the Registrar of Copyrights shall grant the license to the complainant in accordance with the directions of the Copyright Board, on payment of such fee as may be prescribed.

Explanation. - In this sub- section, the expression" Indian work includes-

1. An artistic work, the author of which is a citizen of India; and
2. A cinematograph film or a record made or manufactured in India.

(2). Where two or more persons have made a complaint under sub- section (1), the licence shall be granted to the complainant who in the opinion of the Copyright Board would best serve the interests of the general public.

#### **Ingredients of section 31-**

- 1 Applicable to broadcasting right.
- 2 conditions – prior publication, refusal to allow communication to the public by broadcast on terms the complainant considers reasonable, payment of remuneration as fixed by Copyright Board.

(Reason behind such a provision – regulating industrial practices by restricting the monopolistic power of collective societies to control industry (though ultimate aim is benefit of general public)

- 3 Multiple licenses to promote competition is intended Section 31(1) (b) different from 31 (1) (a) as withholding or not is not the concern of the provision.

(Promoting competition and avoidance of monopolization is the real concern. But Indian courts failed to recognize its real

<sup>2</sup>The Copyright Act,1957

<sup>3</sup>The Copyright Act,1957

<sup>4</sup>The Copyright Act, 1957

purpose of restricting monopoly and the need to regulate industrial practices).

This section has been revised so as to vest the discretion for granting a license in the copyright to the Copyright Board instead of in the Registrar of copyright. This section gives right to the author to get adequate money in return of the use of his work by other. It fulfills the criteria of the principal of the natural justice.

This section applies only to 'Indian Work' <sup>[5]</sup> as defined under s.2 (1). It means a literary, dramatic or musical work. significantly, in between the clause (a) and (b), the word 'or' has been used. So, it must be read disjunctively and not conjunctively. even otherwise, these cannot be read together because clause (a) refers to the republication or allowing republication of the work while clause (b) is related to the refusal to allow communication to the public in the case of a broadcast. sound recording is a part of it.

This section can be better understood with the help of the recent case, Super Cassette Industries Ltd v Entertainment Network (India) Limited, Mumbai <sup>[6]</sup>. In this case, the issue in question was that whether the FM radio industry could claim compulsory licensing on music owned by music providers such as PPL. This was based on the argument that the latter were being unreasonable in charging exorbitant royalties of FM radio channel providers for music owned by the latter which in turn was affecting public interest at large.

In this case supreme court observed that the legislature has used the word 'may' in section 31 instead of 'shall'. So, it is not necessary that every complainant had to be granted a compulsory license. It can be granted or denied on valid grounds after holding an enquiry. In case compulsory licensing have to be granted to all, then there was no need any enquiry as envisaged by the section. Therefore, a plain reading of this section confirms that while granting license under this section the board has a discretion.

The hon'ble supreme court further stated that although the term 'work' has been used in clause (a) and (b) of s.31(1) of the act but the same has been used for different purposes. The said term work has been defined in s.2(y) as-

- a) a literary, dramatic, musical or artistic work;
- b) a cinematograph film;
- c) a sound recording.

Thus, a literary work ex facie may not have anything to do with sound recording.

Clause(a) of s.31(1) refers to work in general whereas clause(b) refers to the sound recording, which in terms means the recording of the sounds from which such sound may be reproduced regardless of the medium on which such recording is made or the method by which the sounds are produced. The use of the word 'such' also assumes significance. It must be understood having regard to the fact that the sound recording is also a work.

The hon'ble Supreme Court further observed that the meaning of the statute is neither clear nor sensible. It is a statute where purposive construction is warranted. The interpretation of the statute can not be static. It should be seen in the light of the

facts and circumstances of the case. While undertaking the said exercise, the court said that sub-s (2) should be kept confined to the cl (a) for that purpose.

#### **Comment <sup>[7]</sup>**

Though the judgment is a definite positive for the FM radio industry, there still remains the question of whether it will help serve the very purpose on which the judgment hinged – that of public interest. Sure the average city dweller will be able to get his regular dose of 'top ten 90s singles' on his way to work, but it remains to be seen as to whether it would really help incentivise greater expansion of the private radio industry in tribal or remote areas wherein the revenue earned is likely to be less.

#### **Critical appraisal of the judgement**

We are moving towards the market driven economy in which all the market forces are permitted to play its role for the determination of demand and supply and we have travelled much on such road since 1991 when India had slowly started deregulating its economy. In such a scenario will the Landmark Judgment act as a catalyst or accelerator for the industry? Is it necessary to curtail the contractual rights of the owner of the sound recording of the copyright on the premises that the owner enjoys the monopoly powers and therefore even though the work is available to the general public but since the owner has refused to allow the broadcast through a particular channel, Copyright Board has the power to grant compulsory license to the broadcaster? Or is it the International Conventions which has tilted the mind of the Hon'ble Judges to the effect?

If it is the monopoly, it is worth mentioning that the contractual powers of even the monopolistic establishment in respect of its dealing with the customers / buyers / purchasers were not taken away under the MRTP Act. If the legislature thought it prudent not to place any restraint on the contractual powers of monopolistic undertaking which, obviously, controls a sizable portion of trade and commerce in the field in India, is there any justification for doing so in case of a Music Company? Besides, had it been only the monopoly rights which the owner of the sound recording enjoys, there would not have been any reasons as to why the owner of other copyrights (who also happen to enjoy the monopoly powers) ought to have been exempted. Or are we in the transition phase and the concept of monopoly powers will be carried forward to curtail the contractual rights of all the copyright owners, in times to come? Unfortunately, only time has the answer.

#### **Conclusion**

Law of the land is the ratio laid down by the Hon'ble Court and it has to be adhered to. But the question of the competence of the Hon'ble Supreme Court to legislate is still a debatable issue. Last but not the least is whether the proposition laid down above in case of broadcasting of sound recordings will also hold good for the broadcasting of the programs by television channels? Unfortunately, the obvious answer seems to be, yes.

<sup>5</sup> Section 2(1) of the Copyright Act, 1957

<sup>6</sup> (2008) 37 PTC 353 (SC), p 387

<sup>7</sup> Praveen Agrawal, Advocate on Record, Supreme Court of India

The factors which have resulted in the delivery of the judgment in issue are many, whatsoever the reasons may be, but it is an undoubted position that at least the sound recording industry will be hit by the judgment to a large degree. This also opens a watch gate for other industries which are copyright protected that the concept of monopoly, international conventions and applicable law in various other countries may, at some point of time, also take away their contractual rights and confer on the Copyright Board the power to grant compulsory license.

So, in short we can say that-

- 1 The court failed to take note of the absence of a requirement of "withholding from the public" in Section 31(1) (b) and held that if voluntary licenses are given to some broadcasters, doors will be closed for others to approach Copyright Board.
- 2 However, taking into account the "ground realities" (the number of broadcasters in India), it held that fixing unreasonable terms amounted to refusal of permission
- 3 it held that Section 31 (1) (b) does not create an entitlement in favour of an individual broadcaster. But it left section 31 (2) uninterpreted and thus failed pay attention to the earlier Bombay High Court Judgment.

### **31A. Compulsory license in unpublished Indian works**<sup>[8]</sup>

- 1 Where, in the case of an Indian work referred to in sub-clause (iii) of clause (1) of section 2, the author is dead or unknown or cannot be traced, or the owner of the copyright in such work cannot be found, any person may apply to the Copyright Board for a license to publish such work or a translation thereof in any language.
- 2 Before making an application under sub-section (1), the applicant shall publish his proposal in one issue of a daily newspaper in the English language having circulation in the major part of the country and where the application is for the publication of a translation in any language, also in one issue of any daily newspaper in that language.
- 3 Every such application shall be made in such form as may be prescribed and shall be accompanied with a copy of the advertisement issued under sub-section (2) and such fee as may be prescribed.
- 4 Where an application is made to the Copyright Board under this section, it may, after holding such inquiry as may be prescribed, direct the Registrar of Copyrights to grant to the applicant a license to publish the work or a translation thereof in the language mentioned in the application subject to the payment of such royalty and subject to such other terms and conditions as the Copyright Board may determine, and thereupon the Registrar of Copyrights shall grant the licence to the applicant in accordance with the direction of the Copyright Board.
- 5 Where a license is granted under this section, the Registrar of Copyright may, by order, direct the applicant to deposit the amount of the royalty determined by the Copyright Board in the public account of India or in any other account specified by the Copyright Board so as to enable the owner of the copyright or, as the case may be,

his heirs, executors or the legal representatives to claim such royalty at any time.

- 6 Without prejudice to the foregoing provisions of this section in the case of a work referred to in sub-section (1), if the original author is dead, the Central Government may, if it considers that the publication of the work is desirable in the national interest, require the heirs, executors or legal representatives of the author to publish such work within such period as may be specified by it.
- 7 Where any work is not published within the period specified by the Central Government under sub-section (6), the Copyright Board may, on an application made by any person for permission to publish the work and after hearing the parties, concerned, permit such publication on payment of such royalty as the Copyright Board may, in the circumstances of such case, determine in the prescribed manner

This section protects the rights of the author even if he is physically not present there to protest against the use of his work. This section in real sense protects the rights of the author. In this section state acts as a guardian of the rights of the creator of the work.

It has been proposed to amend this section so as to considerably widen its scope. It has been proposed to do this for making it compatible with the international law on this topic by substituting the existing Section 31A (1) with a new provision which would read as follows:

Where, in the case of any unpublished work or any work published or communicated to the public and the work is withheld from the public in India, the author is dead or unknown or cannot be traced, or the owner of the copyright in such work cannot be found, any person may apply to the Copyright Board for a licence to publish or communicate to the public such work or a translation thereof in any language.

### **Section 32**<sup>[9]</sup>

Section 32 deals with the license to produce and publish translation of literary or dramatic work in any language.

#### **Licenses for Translation of Works**

An application for production and publication of a literary and dramatic in any language can be made after a period of seven years from the date of first publication of the work. Where the translation of a foreign work in any language, in general use in India, is required for the purposes of teaching, scholarship or research, an application for license can be made after the expiry of three years from the date of first publication of the work.

Where such a translation has to be made in any language not in general use in India, an application can be made after the expiry of one year from the date of publication of the work. In this case the license shall be granted subject to the conditions that the copies of the translation shall not be exported outside India and that every copy shall contain the notice in the language of translation that the copy is available for distribution only in India.

In order to successfully prosecute the application for the grant of license, the applicant must establish the following facts:

<sup>8</sup>The Copyright Act,1957

<sup>9</sup>The Copyright Act,1957

- The translation of the work in the language mentioned in the application has not been published by the owner or his authorized agent within a period of seven years, three years or one year as the case may be or the copies are out of print.
- The applicant had requested to the owner for authorization to produce and publish the work but was denied the authorization or was unable to find the owner after due diligence.
- Where the applicant was not able to locate the owner, he had sent a copy of the request for such authorization to the published via registered airmail. A period of six months has elapsed in case of an application for the translation of the work in any language and a period of nine months in case of translation of any foreign work in any language in use in India has elapsed since making of the application and the translation of the work in that language has not been published by the owner within that period.
- The applicant is competent to produce and publish a correct translation of the work and possesses the means to pay to the owner of the copyright the royalties payable to him.
- The author has not withdrawn from circulation copies of the work.

#### **Procedure for the application for license for translation-**

- Has to be made in Form II in triplicate and should be accompanied by the prescribed fee,
- Has to be with respect to one work only and for translation of that work in one language only.

#### **Notice of Application**

After receiving the application for license, the Copyright Board shall give a notice of application in the official gazette and in one or two newspapers (optional) and also send a copy of the application to the owner. The notice shall contain the following particulars

- the date of the application;
- The name, address and nationality of the applicant;
- Particulars of the work that has to be translated;
- The date and country of the first publication of the work;
- The name, address and nationality of the owner of the copyright as stated in the application
- The language in which the work is to be translated; and
- The registration number of the work in the Register of Copyrights, if any

The copyright Board after giving an opportunity of hearing to the applicant and also to any person claiming interest in the copyright shall decide whether to grant or not to grant the license to the applicant.

#### **Particulars of the license**

The license shall contain the following particulars:

1. Period of license
2. The language of translation
3. The rate at which the royalties is to be paid to the owner
4. The person or persons to whom the royalties are payable.

#### **Determination of Royalty**

The copyright Board shall determine the royalty keeping in mind the following considerations:

1. The proposed retail price of a copy of the translation
2. Prevailing standards of royalties

The provision regarding grant of license to reproduce and publish works for certain purposes was inserted by the copyright (amendment) act 1983 in order to get benefit of the revised acts of Berne Convention for the protection of the literary and artistic works and universal copyright convention of which India is a party. It provides that if after the expiration of the 'relevant period' from the date of the first publication-

- a. The copies of such edition are not available in India; or
- b. Such copies have not been put on sale in India for a period of six months

Then any person may apply to the Copyright Board for a license to reproduce and publish such work. The Copyright Board, after holding prescribed inquiry and after giving the opportunity to other party for being heard, may grant to the applicant a license, not exclusive, subject to the payment of the royalty. The Board insured before granting license that the applicant will charge for work according to the prevailing conditions of the market, it should be also checked by the Board that a reproduction of the work has not been published by the owner of the copyright within six months in the case of work of natural science, physical science or technology or three months in other works from the date of the making of request to the owner of the copyright for authorization to reproduce and publish the work or sending a copy of the request to the publisher, as the case may be.

A license under this section shall not be granted unless such translation has been published by the owner of the right of translation or a person authorized by him and the translation is not in a language in general use in India. However, a license may be granted for reproduction in any language.

#### **Section 32B<sup>[10]</sup>**

Section 32B of the act deals with the termination of the licenses issued under ss32 and 32A if the conditions given under these sections are not fulfilled then termination will not take effect until after expiry of three months from the date of the service of the notice in the prescribed manner on the person holding the license by the owner of the right of translation intimating the publication. The license holder will be permitted to sell or distribute copies of the translation produced before the termination of the license takes effect until they are exhausted.

#### **International Mandate<sup>[11]</sup>**

Compulsory licensing provisions were inserted into the Copyright Act, 1957 pursuant to the adoption of the Appendix of the Paris Act of the Berne Convention. In fact, the language of some of the licences provided in Chapter VI of the Copyright Act, 1957 could be considered to mirror the Articles of this Appendix.

The Appendix was drafted for the purpose of allowing and

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<sup>10</sup> The Copyright Act, 1957

<sup>11</sup> T.G. Agitha

enabling developing countries to enact into their own statutes compulsory licensing provisions. However, in order to avail the facility granted by the Appendix, a country was required to deposit a notification with the Director General of the World Intellectual Property Organization.

Although India had deposited such Notifications, it appears that the permission granted to the country to avail of the allowances made by the Appendix expired on October 10, 1994. However, despite this, developing countries have found that it may be preferable to avoid the cumbersome procedure laid out in the Appendix by using Article 9(2) of the Berne Convention to enact provisions which would allow for the grant of non-voluntary licenses.<sup>2</sup> This Article states:

It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

As such, fears that India may be violating its obligations under the Berne Convention by enacting, and in fact, proposing to widen, provisions for the grant of compulsory licenses appear to be unfounded.

In short, Indian law is based on the following international provisions-

Article 9 (2) of the Berne Convention (B.C.)

Article 11bis (2) of the (B.C.)

Article 13 of the TRIPS Agreement

TRIPS also incorporate articles 1-21 of the B.C and the appendix thereto. (including the Berne acquis and not simply the individual provisions as stated by the WTO panel in WT/DS 160)

### **Indian copyright law provisions -**

Section 31 (1) (a) – General provision – validity to be tested with three- step test:

Section 31 (1) (b) – based on Berne 11bis (2)

Section 32 – Based on Berne Appendix Article II

Section 32 A - Based on Berne Appendix Article III

Section 32 B - Based on Berne Appendix Article IV

Article 9 (2) of the Berne Convention laid down the three-step test at Stockholm Conference 1967. Before that national legislators enjoyed discretionary power to lay down Limitations. 9 (2) brought in restrictions on this discretionary power by introducing three step test.

### **Three-step test – B.C. - Art. 9 (2)**

It provides a limitation/compulsory license with respect to the exclusive right of reproduction is valid only if it is limited to

1. certain special cases
2. Provided that such reproduction does not conflict with the normal exploitation of the work of the author
3. and does not unreasonably prejudice the legitimate interests of the author.

A flexible interpretation of this provision can make the Compulsory Licensing under this provision more useful.

### **Interpretation of Three-Step Test'**

#### **1) Certain special cases**

Policy objectives of national legislator has to be taken into account. So, WTO panel decision is not acceptable.

### **2) No conflict with normal exploitation**

Not all exploitation, but 'normal' exploitation – there is a conflict only when there is a substantial market impairment. Markets that are neither developed, nor licensed to develop, will then fall beyond the scope of this.

### **3) Do not unreasonably prejudice with the legitimate exploitation**

It will balance public and individual interests

### **Berne convention for the protection of Literary and artistic works<sup>[12]</sup>**

#### **Article 13**

1. Each country of the Union may impose for itself reservations and conditions on the exclusive right granted to the author of a musical work and to the author of any words, the recording of which together with the musical work has already been authorized by the latter, to authorize the sound recording of that musical work, together with such words, if any; but all such reservations and conditions shall apply only in the countries which have imposed them and shall not, in any circumstances, be prejudicial to the rights of these authors to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.
2. Recordings of musical works made in a country of the Union in accordance with Article 13 (3) of the Convention signed at Rome on June 2, 1928, and at Brussels on June 26, 1948, may be reproduced in that country without the permission of the author of the musical work until a date two years after that country becomes bound by this Act.
3. Recordings made in accordance with paragraphs (1) and (2) of this Article and imported without permission from the parties concerned into a country where they are treated as infringing recordings shall be liable to seizure. Recordings in official archives may, on the ground of their exceptional documentary character, be authorized by such legislation.

### **Other related provisions under berne convention**

The Berne Convention provides for statutory compulsory licensing under certain circumstances. This is the case of performers' rights regarding the transmission of their works via radio, telephone or other equivalent apparatus.

Under Article 80 of the Berne Convention<sup>[13]</sup> performers do not have an exclusive right to forbid these forms of exploitation but they are entitled to equitable compensation for such uses. A similar right is granted to the phonogram producer for the broadcast of his/her records by radio, cinema, television and in public premises<sup>[14]</sup> (Article 73). In addition, in accordance with article 13 of the Convention, member countries may impose reservations on the exclusive right granted to the author of a musical work or to the author of the words which go with such musical work, where the latter has already been authorized so that third parties can produce those

<sup>12</sup> Paris Act, 1971

<sup>13</sup> Article 80 of the Berne Convention

<sup>14</sup> Article 73 of the Berne Convention

works. However, such reservations can only apply in the countries where the member country has legislation covering it, and must also not be prejudicial to the rights of the author to obtain compensation.

### **TRIPS Article 13 and compulsory license-**

While incorporating Article 1-21 B.C and Appendix the Berne Acquis and not just the individual provisions was incorporated (WTO panel decision). Thus compulsory licensing available under article 9 (2) got recognized under article 13 of the TRIPS also.

### **Berne Appendix**

For developing countries joining the Berne Convention, access to copyrighted goods from developed countries was considered a problem. In response to this concern, the Appendix to the Berne Convention was formulated - a system to facilitate translation and reproduction of copyrighted works, without permission of rights-holders, and with compensation to them. The actual terms of the Appendix remain controversial, since any use of the Appendix is heavily regulated and requires strict procedures to be followed; moreover, translation into any major European language is not allowed - though such languages are used in many developing countries. However, the Appendix, while restricted to developing countries, is not mandatory. As of writing, the majority of developing countries who are Member States of the Berne Convention have not availed of the Appendix to the Berne Convention.

It is a special provision for developing countries available with respect to translation and reproduction rights. It is irrational and troublesome procedure. It is total failure in reality. So, now developing countries need to go beyond Berne Appendix. It is paradoxical that now compulsory licensing permissible under the third criterion of the three-step test is more attractive than the special provision for developing countries.

### **Suggestions**

1 It has been proposed to amend Section 31 of the Copyright Act so that a compulsory license may be granted under this Section in respect of not merely an Indian work but in respect of any work. Considering that a compulsory license may be granted in respect of any work, it has been proposed to delete the explanation which defines what an Indian work is for the purposes of this Section. Further, it has been proposed to allow for the grant of a compulsory license under this Section not specifically to the complainant but to any person(s) who, in the opinion of the Copyright Board, is or are qualified to publish the concerned work. In order to do this, it has also been proposed to delete subsection (2) of Section 31 so as to allow for a compulsory license to be granted by the Copyright Board to more than one person. Moreover India needs to take maximum use of the compulsory licensing provision allowable under three-step test rather than relying more on the Bern appendix. Thus section 31 (1) (a) needs to be amended bringing foreign works and situations of non-availability of works at affordable price within its scope.

- 2 Section 31 (1) (b) also should be extended to foreign works as the only stipulation under Berne is that "the conditions apply only in the countries where they have been prescribed".
- 3 Negotiations for amending Berne Appendix to be strengthened.
- 4 The need of the day is not to scrap compulsory licensing provision but to strengthen it.
- 5 Thus violation of copyright could be prevented to a greater extent.

### **Proposed amendment under the copyright act <sup>[15]</sup>**

#### **1) The Compulsory Licence for the Benefit of Disabled Persons.**

It has been proposed to insert into the Copyright Act, 1957 an exception to copyright for the benefit of disabled persons (in Section 52(1) (zb). In addition to this, it has been proposed to insert into the Act, a compulsory licence which would apply to situations which the exception in the proposed Section 52(1) (zb) did not cover. However, there are several causes of concern with respect to this proposed amendment.

The proposed Section 31B under which a compulsory licence may be obtained states who may apply for a compulsory licence in its first sub-section. This sub-section, Section 31B (1) itself has two major causes of concern. Firstly, the proposed amendment does not allow disabled persons themselves to apply to the Copyright Board for a compulsory licence. On the contrary, it allows only an extremely limited number of organisations which satisfy a number of criteria to apply for such licences to make available copyrighted works in accessible formats.

To be eligible to apply for a compulsory licence to publish any work in which copyright subsists for the benefit of disabled persons in cases where the accessibility exception to copyright does not apply, an organisation must:

- a. Be registered under Section 12A of the Income Tax Act, 1961;
- b. Work primarily for the benefit of persons with disability; and
- c. Be recognised under Chapter X of the (Equal Opportunities, Protection of Rights, and Full Participation) Act <sup>[16]</sup>.

There are very few organisations in India which would satisfy these criteria. As such, by making the eligibility requirements to apply for a compulsory licence under this proposed Section 31B so limited, the scope of the provision has been severely limited.

Secondly, there is no time limit within which the Copyright Board is required to dispose of applications for the grant of a compulsory licence. The Copyright Board is only enjoined to dispose of such applications "as expeditiously as possible" and to attempt to dispose of them "within a period of two months from the date of receipt of the application".

Further, it is entirely unclear from the proposed provision what factors the Copyright Board would consider while

<sup>15</sup> "Disability and the Indian Copyright Amendment Bill, 2010" by Nandita Saikia.)

<sup>16</sup> The Person with Disabilities Act, 1995

granting a compulsory licence under this proposed section. Of concern to rights holders, is the fact that this lack of clarity also includes a lack of clarity with regard to the factors which would be used to determine not only how many copies of a work in an accessible format may be published without the payment of royalty but also with regard to how the rate of royalty would be fixed for the remaining copies.

It has been proposed to introduce into the Copyright Act, two statutory licenses:

- a) One for cover versions,
- b) Other for radio broadcasting of literary and musical works and sound recordings.

#### **A) Statutory License for Cover Versions under section 31C-**

It has been proposed to introduce into the Copyright Act, 1957, a statutory licence for cover versions which would state:

The statutory license for cover versions proposed is very similar to the "license" provided for in Section 52(1)(j) of the current Copyright Act, 1957 [which latter Section the Amendment Bill proposes to delete]. According to the Notes on Clauses, the proposed provision 'seeks to provide statutory licence to any person desiring to make a cover version of a sound recording in respect of any literary, dramatic or musical work, where sound recordings of that work have been made by or with the consent of the owner of the right in the work in the same medium as the last recording, unless the medium of the last recording is no longer in current commercial use'.

The person making a cover version of the sound recording must give prior notice of his intention to the owner of the copyright in the recording and provide to the owner, in advance, copies of all covers or labels with which the sound recordings are to be sold. Cover versions made under this provision cannot be sold or issued in any form of packaging which could mislead or confuse the public with regard to their identity. In particular, they must not contain the name or depict any form of an earlier sound recording of the same work or any cinematograph film in which the sound recording was incorporated. In addition to this, cover versions made under Section 31C must necessarily state on their cover that they are cover versions made under this section of the Copyright Act.

The person making a cover version is not permitted to alter the literary or musical work in the way in which it has not been altered previously either by or with the consent of the copyright owner unless the alteration is technically necessary for the purpose of making the sound recording, and such cover recordings may not be made until five years have expired from the end of the year in which the first sound recording of the work was made.

The person making the recording must also pay royalties in respect of all the copies to be made by him to the copyright owner in advance. The rate at which royalties must be paid is the rate fixed by the Copyright Board in this behalf, and the person making the cover version must pay royalty for a minimum of 50,000 copies of each work during each calendar year in which copies of it are made. The Copyright Board has, however, been granted the discretion to fix a lower minimum number by general order in respect of works in a particular

language or dialect in consideration of their potential circulation.

The proposed section also mandates that the person making cover versions maintain registers and books of account in respect of the cover versions, which include full details of the existing stock. He must also allow the owner of rights or his duly authorized agent/representative to inspect all such records and the books of account.

A complaint may be brought before the Copyright Board that the person making cover versions has not paid, in full, the amount contemplated by this proposed provision. If the Copyright Board is prima facie satisfied that the complaint is genuine, it may pass an ex parte order directing the person making cover versions to cease from doing so and, after making an inquiry as it considers necessary, the Copyright Board may ask for the orders which include an order for the payment of royalty.

#### **B) Statutory License for Radio Broadcasting of Literary and Musical Works and Sound Recording is proposed under section 31D.**

Under this section, a broadcasting organization which desires to communicate to the public a published literary work, musical work or sound recording may do so if the communication is by way of broadcast or by way of performance. The broadcasting organization is required to give prior notice to the copyright owner stating the duration and territorial extent of the broadcast.

The names of the authors and principal performers of the work must be announced with the broadcast. The broadcasting organization is proscribed from making any fresh alteration of any literary or musical work unless that alteration is (i) technically necessary for the purpose of broadcasting, or (ii) comprises only a shortening of the work for the convenience of the broadcast, or (iii) has been made with the consent of the copyright owner(s).

The broadcasting organization must pay royalties to the copyright owner in each work at the rate fixed by the Copyright Board, and the Copyright Board may require that these royalties be paid in advance. It is required to maintain records and books of account, and to render to the copyright owners such reports and accounts in accordance with the rules associated with the Act. The broadcasting organization is also required to allow the copyright owner or his duly authorized agent/representative to inspect all records and books of account related to the broadcast.

This proposed section, however, shall not affect the operation of any licence issued or any agreement entered into before the commencement of the Copyright (Amendment) Act, 2010.

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