

Legal Issues in 'IP in Creativity'

Issue: Is there a Threshold for Protecting Copyrightable Materials as Confidential Information?

Relevant Legal Provisions

❖ Section 13, the Copyright Act, 1957

“13. Works in which copyright subsists.— (1) Subject to the provisions of this section and the other provisions of this Act, copyright shall subsist throughout India in the following classes of works, that is to say,—

a) original literary, dramatic, musical and artistic works;

(b) cinematograph films; and

(c) 1 [sound recording]” (Emphasis supplied)

Relevant Legal Provisions (Contd.)

❖ Section 16, the Copyright Act, 1957

“16. No copyright except as provided in this Act -

No person shall be entitled to copyright or any similar right in any work, whether published or unpublished, otherwise than under and in accordance with the provisions of this Act or of any other law for the time being in force, but nothing in this section shall be construed as abrogating any right or jurisdiction to restrain a breach of trust or confidence.” (Emphasis supplied)

Relevant Legal Provisions (Contd.)

❖ Section 51, the Copyright Act, 1957

“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]” (Emphasis supplied)

Relevant Legal Provisions (Contd.)

❖ Section 52, the Copyright Act, 1957

*“52. Certain acts not to be infringement of copyright. —
.....”*

❖ Order XXXIX, Rule 1, the Code of Civil Procedure, 1908

“1. Cases in which temporary injunction may be granted— Where in any suit it is proved by affidavit or otherwise—

....

the Court may be order grant a temporary injunction to restrain such act, or make such other order for the purpose of staying and preventing the wasting, damaging, alienation, sale, removal or disposition of the property [or dispossession of the plaintiff, or otherwise causing injury to the plaintiff in relation to any property in dispute in the suit] as the Court thinks fit, until the disposal of the suit or until further orders.” (Emphasis supplied)

Relevant Legal Provisions (Contd.)

❖ Order XXXIX, Rule 2, the Code of Civil Procedure, 1908

“2 . Injunction to restrain repetition or continuance of breach— (1) In any suit for restraining the defendant from committing a breach of contract or other injury of any kind, whether compensation is claimed in the suit or not, the plaintiff may, at any time after the commencement of the suit, and either before or after judgment, apply to the Court for a temporary injunction to restrain the defendant from committing the breach of contract or injury complained, of, or any breach of contract or injury of a like kind arising out of the same contract or relating to the same property or right. (2) The Court may be order grant such injunction, on such terms as to the duration of the injunction, keeping an account, giving security, or otherwise, as the Court thinks fit.”

❖ Order XXXIX, Rule 3, the Code of Civil Procedure, 1908

“4 . Order for injunction may be discharged, varied or set aside— Any order for an injunction may be discharged, or varied, or set aside by the Court, on application made thereto by any party dissatisfied with such order....”

Relevant Judicial Decisions (Contd.)

- ❖ *Beyond Dreams Entertainment Pvt. Ltd. and Ors. Vs. Zee Entertainment Enterprises Ltd. and Ors* [2015(62)PTC 241(Bom), High Court of Bombay, March 25, 2013]

“7. ...It is now well known that the law of confidence is different from the law of copyright. In fact, as observed by various reputed international authors, as also held in various pronouncements by Courts in India and abroad, that publication of a work can very well be restrained on the basis of a breach of trust or confidence; that protection of confidence is in fact a broader right than the proprietary right of a copyright. Whereas there can be no copyright in an idea or information per se, if the idea or information has been sufficiently formed and has been acquired by a person under such circumstances that it would be a breach of good faith to publish or use the same without authority from the person from whom it has been so acquired, the Court may in an appropriate case protect the idea or information by granting an injunction. The two rights naturally have different incidents. Whereas the copyright is good against the world at large, sharing of confidence casts a duty only on the recipient of the information or idea to maintain confidentiality and not publish or use the same without the authority of the originator.”(Emphasis supplied)

Relevant Judicial Decisions (Contd.)

❖ ***Tarun Wadhwa vs. Saregama India Ltd. and Ors [2021(88)PTC 423(Bom), High Court of Bombay, October 20,2021]***

“30. Breach of confidentiality and copyright infringement are closely tied. The former is frequently claimed for matters that cannot be the subject of copyright infringement. An idea, in particular, cannot be the subject of a copyright infringement action; but it may be the subject of breach of confidentiality. Either may yield a broadly similar injunction. There is no copyright in India except as provided by the Copyright Act, 1957. But this is not in derogation of a claim of breach of trust or confidence. For Section 16 of the Copyright Act says.....

31. ..In certain circumstances, a claim may fall under both causes of action--copyright infringement and breach of confidence. But Wadhwa's case on breach of confidence is separated from his case on copyright infringement, for his claim is that the idea (in which no copyright can exist) was communicated in circumstances of confidence to Saregama, and that idea could not have been used by Saregama without Wadhwa's permission or license.” (Emphasis supplied)

Relevant Judicial Decisions (Contd.)

❖ *Tarun Wadhwa vs. Saregama India Ltd. and Ors* [2021(88)PTC 423(Bom), High Court of Bombay, October 20,2021](contd.)

*“34. Confidence law is perhaps wider than copyright law. It protects the substance of ideas and information, irrespective of the mode of communication. There is no copyright in an idea, but only in the form of its expression. Copyright is a right in rem, but a confidence obligation is entirely in personam. Copyright has a statutorily defined term. Confidence does not. There is no copyright except as provided by the statute, and infringement is also prescribed by statute. A confidence obligation is one in contract or equity (or both). There are statutory defences to a copyright infringement action. These do not apply to a breach of confidence action. **The distinction between copyright and confidence assumes importance where, say, a manuscript has been submitted for publication. An obligation not to use the submitted manuscript may be implied and enforced under confidence law, and may extend to a plot or a developed idea that may not otherwise be protected by copyright.**” . (Emphasis supplied)*

Relevant Judicial Decisions

- ❖ ***John Richard Brady v. Chemical Process Equipment Pvt. Ltd* [AIR 1987 Delhi 372, High Court of Delhi, July 06, 1987]**

“38. Balance of convenience is clearly in favor of grant of injunction to the plaintiffs. Unless the Defendants are restrained by grant of temporary injunction during pendency of the suit, irreparable injury and loss which cannot be estimated in terms of money, will be caused to the plaintiffs by the Defendants continuing to manufacture, sell or deal in their Machine which is a substantial reproduction in three dimensional form of the Drawings of the plaintiffs' FPU in which Brady has copyright. It will also be in the interest of justice to restrain the Defendants from abusing the know-how, specifications, Drawings and other technical information regarding the plaintiffs' FPU entrusted to them under express condition of strict confidentiality, which they have apparently used as a 'spring-board' to jump into the business field to the detriment of the plaintiffs.”(Emphasis supplied)

Relevant Judicial Decisions (Contd.)

- ❖ ***Markets and Markets Research Private Limited Vs. Meticulous Market Research Private Limited and Ors, [CS (Comm) 140/2023, High Court of Delhi, order dated March 13, 2023]***

“25. It is the case of the plaintiff that the defendants are copying the format and contents of the market research reports of the plaintiff and using the same to prepare their own reports.

30. The plaintiff does not have the full reports of the defendants corresponding to the 91 reports of the plaintiff, the details of which are given in paragraph 51 of the plaint. However, the title and table of contents of the defendants' reports are available on the website of the defendants. It appears that the defendants, at the very least, have copied the title of the 91 reports of the plaintiffs.

31. It is claimed that the reports of the plaintiff and each element thereof are original work of the copyright and contain plaintiff's trade secrets and confidential information. The actions of the defendants have resulted in infringement of plaintiff's copyright.” (Emphasis supplied)

Relevant Judicial Decisions (Contd.)

- ❖ ***Rochem Separation Systems (India) Pvt. Ltd. v. Nirtech Private Limited & Ors*, [Commercial IP Suit (L) No. 29923 of 2022, High Court of Bombay, Order dated March 3, 2023]**

*“ 42. Essential, therefore, to any case of confidentiality are precision, originality and completeness of disclosure. The precise identification must be in the plaint. The confidential information must be proprietary. It must, in short, be original. **This is not the originality of expression that is the subject of copyright law; it may be the originality of idea, and it is used here in contradistinction to whispering in alleged confidence matters that are already known.** Those are never subjected to the doctrine. Any confidential information by definition must be outside the public domain.”* (Emphasis supplied)

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Conclusion

- ❖ The protection of confidential information has been practiced by Courts through construing such information as copyrightable material under the provisions of the Copyright Act, 1957.
- ❖ While determining if a prima facie case is made out in the favour of the party claiming breach of confidentiality and copyright infringement, the approach of the Courts indicates that it is necessary to establish both these dual claims independently.
- ❖ However, while there exists no uniform approach to determine the threshold for protecting copyrightable material as confidential information, there appears to be a shift towards a higher threshold vis à vis the precision, originality and completeness of disclosure of the material alleged to be confidential information.

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THANK YOU!

Questions?

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