

Interpreting assignment in perpetuity:

Bombay High Court clarifies the scope of assignment under copyright laws pre and post the 2012 amendments to the Copyright Act, 1957

23 June 2025

In <u>Rupali Shah v Adani Wilmer & Ors</u>, 2025:BHC-OS:8516 a single-judge bench of the Bombay High Court clarified how pre-1970 music-assignment contracts ought to be interpreted in the digital streaming era. Holding that a contractual stipulation permitting an assignee to exploit film songs "by any and every means whatsoever" covers modern digital mediums including exploitation of works in non-physical mediums, the Court has set an important and rather landmark precedent which may have a bearing on all existing agreements entered into between music producers and media companies with respect to assignment of rights in musical works or songs.

Background

The case involved a dispute over the exploitation of musical works and songs from cinematographic films produced by Ralhan Productions, owned by the late Mr. O. P. Ralhan, between 1963 and 1983. Late O.P. Ralhan executed 7 agreements between 1962 and 1980 assigning the rights in the works of songs and musical recordings forming part of seven films he produced and owned. The Plaintiff, Rupali P. Shah, claimed that the Defendants, Adani Wilmer Limited (Adani Wilmer) and Saregama India Limited (Saregama), were exploiting these works without proper authorization after the expiry of the assignment agreements. The Plaintiff claimed that the rights assigned under the agreements were limited to a specific period and did not contemplate exploitation through non-physical or digital mediums. The proceedings were initiated in 2012 when the Plaintiff alleged copyright violations by the Defendants and approached the Court for an injunction to restrain the Defendants from using the musical works and songs. The Plaintiff's application for injunctory reliefs was rejected by a Single Judge in 2012 (see *Rupali Shah v Adani Wilmer & Ors*_{*L*} <u>MANU/MH/2001/2012</u>).

Summary of Issues Framed and Analysis

The key issue relevant for the Court was whether Saregama possessed perpetual rights to exploit the songs assigned to it under the assignment agreements from the repertoire of late Mr. O. P. Ralhan.

Basis a reading of the assignment agreements which granted rights to Saregama to exploit the music and songs assigned to it "by any and every means whatsoever", the Court delivered a well-reasoned judgment and arrived at the finding that Saregama had in fact proved that it possessed perpetual rights to exploit the songs assigned to it. On this point, the Court further held that the language of the agreements—granting rights 'by any and every means whatsoever' was broad, unambiguous, and indicative of a perpetual assignment. The Court also considered the consistent conduct of late Mr. O.P. Ralhan and the Plaintiff, including acceptance of royalties, as evidence that the rights were never treated as time-bound. This reinforced the interpretation that the assignments were perpetual in nature. Ultimately, the Court opined that, "Saregama has proved that it has perpetual rights to exploit the music and the songs belonging to the estate of O. P. Ralhan and also holds perpetual right to grant licence to others in respect of the said music and songs."

Interpretation of the Copyright Act, 1957: Pre and Post 2012 Amendment

The key considerations before the Court involved a detailed analysis on the provisions relating to perpetual assignment under the Copyright Act, 1957 (Act) pre and post the 2012 amendment and the retroactive applicability of the proviso to section 18(1) of the Act.

The Plaintiff largely argued that subsequent amendments to the Act, in the 1983, 1994 and 2012, should have a bearing on the interpretation of the agreements which were executed between the years 1963 and 1983. The Court rejected this argument, emphasizing that the agreements must be interpreted based on the provisions of the Act as it stood in 1957, when the agreements were executed. The Court stated that the parties voluntarily entered into the agreements under the statute as it existed, and the broad assignment of rights was clear from the language used.

In this regard, the Court drew parallels to the clauses in the said agreements and the definitions under the Act, as it then stood, and held that the words/definitions used under the agreements would be assigned the same meaning as those provided under the Act as it stood in 1957. The Court held that a particular clause in the agreements assumed great significance as it stipulated and "specifically recorded that the assignee would be entitled to the sole rights, inter alia, of use and performance (including broadcasting) throughout the world by any and every means whatsoever of the records of the works."

In view of the same, the Court held that the said clause demonstrated that the assignor i.e. late Mr. O. P. Ralhan assigned wide-ranging rights in the musical works and songs in favour of the assignee i.e. Saregama, without any limitations.

The Court emphasized that the introduction of the expression 'sound recording' by the amendment to the Act in 1994 (which contemplated that a sound recording would be medium agnostic and hence allowing for recording in non-physical mediums) did not make a radical difference to the case. The parties had voluntarily entered into the agreements giving wide-ranging rights to Saregama by using words such as 'by any and every means whatsoever,' thereby signifying that rights were assigned without any limitations and hence rights crystallized between the parties cannot be undone by relying upon subsequent amendments to the statute.

The Plaintiff also argued that in view of the retrospective applicability of proviso to section 18(1) of the Act, as amended in 2012, no perpetual assignment was contemplated between the parties since digital mediums and non-physical mediums for exploitation of musical works did not exist before 1983. In view of this argument, the Court held that it was "unable to agree with the Plaintiff with regard to the aspect of retrospectivity and retroactivity of provisions" relating to the proviso to section 18(1) and rejected the Plaintiff's argument that the 2012 amendment to the Act extended to agreements which were executed prior to 2012.

Conclusion

The Court conclusively held that assignment agreements executed prior to the 2012 amendment to the Act must be interpreted in accordance with the unamended provisions of the Act as it stood in 1957.

The Court affirmed that where the language of the agreements clearly conveys an intent to assign rights "by any and every means whatsoever," such assignment is to be treated as absolute and perpetual, encompassing future modes of exploitation, including digital and non-physical formats.

Relying on principles of contract interpretation, the Court clarified that subsequent statutory amendments including the insertion of the proviso to section 18(1) in 2012, do not have retrospective application and cannot curtail or override contractual rights already crystallized under the pre-amendment regime. In the circumstances, the Single Judge dismissed the Plaintiff's suit against the Defendants.

- Chakrapani Misra (Partner); Jigar Parmar (Senior Associate) & Pranali Vyas (Associate)

Khaitan and Co Team Chakrapani Misra, Jigar Parmar and Pranali Vyas appeared on behalf of Saregama India Ltd in the proceedings before the Bombay High Court.

KCO has exercised due caution in the preparation and publication of this Ergo so as not to compromise sensitive details in the interest of confidentiality.



About Khaitan & Co

Khaitan & Co is a top tier and full-service law firm with over 1200 legal professionals, including 300+ leaders and presence in India and Singapore. With more than a century of experience in practicing law, we offer end-to-end legal solutions in diverse practice areas to our clients across the world. We have a team of highly motivated and dynamic professionals delivering outstanding client service and expert legal advice across a wide gamut of sectors and industries.

To know more, visit www.khaitanco.com

in 🐰 🕨

This document has been created for informational purposes only. Neither Khaitan & Co nor any of its partners, associates or allied professionals shall be liable for any interpretation or accuracy of the information contained herein, including any errors or incompleteness. This document is intended for non-commercial use and for the general consumption of the reader, and should not be considered as legal advice or legal opinion of any form and may not be relied upon by any person for such purpose. It may not be quoted or referred to in any public document, or shown to, or filed with any government authority, agency or other official body.

www.khaitanco.com | © Khaitan & Co 2025 | All Rights Reserved.