

Jurisdiction of Arbitrator in respect of Counter Claims:

The question which arose before the Hon'ble Supreme Court in the case of State of Goa V/s. Parveen Enterprises¹ was whether an Arbitrator has the jurisdiction to entertain counter claims when such counter claim is not placed before the Court in proceedings for appointment of an Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act").

The Hon'ble Supreme Court held that counter-claims filed before the Arbitrator are maintainable if the arbitration agreement provides that all disputes between the parties shall be referred to arbitration.

Disputes arose between the parties under an agreement dated 4th November, 1992. The Respondent raised certain claims and gave notice to the Appellant for the appointment of Arbitrator. Since, the Appellant failed to nominate its arbitrator, the Respondent filed an application under Section 11 of the Arbitration and Conciliation Act, 1996. The High Court appointed a Sole Arbitrator to adjudicate the dispute. The final award allowed the claims of the Respondent as well one of the counter claims of the Appellants.

Being aggrieved by the Award, the Respondent filed an Application under Section 34 of the Arbitration Act challenging the Award. The Civil Court at Goa accepted the contention of the Respondent and stated that the Arbitrator could not transcend beyond its scope of reference. The Appellant challenged the same before the Bombay High Court and the Bombay High Court held that as the Counter Claim was not placed before the court at the time if the application for appointment of Arbitrator under Section 11 of the Arbitration Act, the Arbitrator had no jurisdiction to entertain or allow counter-claim.

IPR International News

Patent reforms in United States

The final version of the Leahy-Smith America Invents Act of 2011 received final approval by the United States Senate. Since enforcement of the Patent Act in 1952 this is the first significant revision in the US Patent Laws.

WIPO Domain Name decision on 'Speakasia Online Pte. Ltd., V/s. Gagandeep Randhawa in Case No.D2011-1317

The Administrative Panel of WIPO Arbitration and Mediation Centre gave its judgment on 20th September 2011 on the complaint filed by the Speakasia Online Pte. Ltd. of Singapore for the domain name "speakasiaonline.biz" which is registered with Network Solutions, LLC.

While giving the judgment the panel opined that the said domain name is to be transferred to the complainant.

The main issues raised in the said complaint were:

- (i) the confusingly similarity of the disputed domain name with the trademark of the complainant,
- (ii) the mala fide intention after registering the disputed domain name in which the respondent does not have any rights.

IPR India News

The High Court of Delhi in the matter of Microsoft Corporation V/s Vijay Kaushik and Anr., reported In MIPR 2011 (2) 0362*, has held that using an unlicensed or pirated copy of the software embedded with the trademark of the right holder amounts to infringement of copyrights and trademark.

The High Court of Delhi in the matter of Arun Jaitley V/s Network Solutions Private Limited

In coming to the conclusion as stated above, the Hon'ble Supreme Court held that under Section 11 of the Arbitration Act requires the Chief Justice or his designate to appoint Arbitrators and the Court is not required frame the list of disputes between the parties. Thus, in a case where the Agreement provides that all the disputes have to be referred to Arbitration, the Arbitrator has the jurisdiction to claim with the Counter claims, even though counter claims not filed at the time of the application under Section 11 of the Arbitration Act. If the Agreement provides for specific disputes to be referred to Arbitration, the Arbitrator neither can travel beyond the reference nor can the Arbitrator entertain any additional claims or counter-claims.

On the issue of limitation period, the Court analyzed Section 21 of the Arbitration Act and held that the date on which counter-claim is made before the Arbitrator shall be deemed to be the date of institution of the counter-claim for the purpose of limitation.

Music Broadcast Private Limited (MBPL) Vs. Indian Performing Right Society(IPRS)

Recently, the High Court of Bombay adjudicated on the issue of royalty, denying royalties to Indian Performing Right Society ("Defendant"), which looks after the interests of composers and lyricists, for the broadcast of their recorded work. It is a major setback to the fraternity that is already going through a long struggle for recognition of their rights.

In a recent landmark judgment, the Bombay High Court has upheld the right of music companies over a song recording.

To state a brief background of the case, Music Broadcast Private Limited ("Plaintiff"), the parent company of radio city, filed a case, against IPRS, a body that safeguards the copyright of music composers and lyricists, claiming that the company had been paying IPRS royalties for broadcast of sound recordings under a mistaken belief of law for almost a decade.

The plaintiff submitted that they are legally bound to pay royalty only to Phonographic Performance Limited (PPL), a body of film producers that owns the copyright to literary, music, and sound recording rights. The plaintiff has, therefore, sought permanent injunction restraining the defendant to demand or recover royalty and/or license fee or require the plaintiff to pay the same in respect of broadcast of sound recordings by

and Ors. , reported In MIPR 2011 (2) SNC 10*, has held that in comparison to the personal rights and the right to use trademark, the personal rights always are greater. The person is entitled to use his name as trademark and or domain name is always unconstrained for the same than any other party.

the plaintiff at its FM radio stations and also sought a refund of the Rs.12.7 million which it claimed it had paid to IPRS as royalty/license fees from 1st August, 2003 to 31st July, 2006. The defendant denied the plaintiff's entire case. The defendant argued that PPL has the sound recording rights and the defendant has the musical and literary rights. The defendant and PPL are, therefore, authorized to collect the royalty for and on behalf of their members in respect of the broadcast of sound recording.

They further argued that they have the literary and musical rights under the Copyright Act and the licenses obtained by the plaintiff are towards compensating the defendant for exploiting the rights of its members. Further, PPL collects royalties in respect of public performance of sound recordings, whereas the defendant collects royalties in respect of public performance/communication to the public of the musical composition and lyrics. The class of works in respect of which the defendant and PPL collect royalties are different. Licenses, therefore, have to be obtained and paid for separately to PPL and the defendant.

The defendants further contended that they have suffered considerable loss on account of the sales of record having dropped by 33% due to the introduction of FM radio station.

The defendant did not deny that the plaintiff has validly obtained license from PPL to broadcast on its FM radio stations, sound recordings owned by PPL's members. The defendant's contention is that despite the same, the plaintiff is not entitled to broadcast the said sound recordings without also obtaining the license from the owners of the underlying musical and literary works therein, which are owned by its members. The defendants argued that once a song is recorded the composers and lyricists do not lose their copyright over their work. The owners of the sound recording must again approach the owner of the underlying works for license and pay the royalty if he wants to communicate it to the public by broadcast.

The Court in the instant case rejected the argument that the music companies are only given the right to make CDs and cassettes and would have to pay copyright fees if they broadcast the songs, for example through radio and held that as the works of the lyricists and the composers are incorporated in a sound recording made by music companies, it is these companies who exclusively own the copyright over such recordings. The IPRS can claim royalty only when the song is performed live or another song is recorded, or the original song is remixed. The High Court has stayed the judgment till October 31st, 2011 which would then be appealed by IPRS.