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* IN THE HIGH COURT OF DELHI AT NEW DELHI

% Reserved on : 16th April, 2024

Pronounced on : 24th April, 2024

+ **O.M.P.(I) (COMM.) 109/2024, I.A. 8220/2024, I.A. 8221/2024 & I.A. 8222/2024**

WIEDEN+KENNEDY INDIA PRIVATE LIMITED Petitioner

Through: Ms. Swathi Sukumar, Mr. Essenese Obhan,
Ms. Yogita Rathore, Ms. Anjuri Saxena and
Mr. Rishab, Advocates.

versus

JINDAL STEEL AND POWER LIMITED Respondent

Through: Mr. Sandeep Sethi, Sr. Adv. with Mr.
Saikrishna Rajagopal, Mr. Saket Sikri, Mr.
Naman Joshi, Mr. Angad Singh Makkar,
Mr. Akshat Agrawal, Ms. Ayushi Bansal,
Mr. Manish Kharbanda, Ms. Ekta Gupta,
Mr. Gurpreet, Ms. Shruti Joshi, Ms. Riya
Kumar, Mr. Sumair, Ms. Shreya Sethi, Ms.
Gauri Rasgotra and Ms. Priyashree Sharma,
Advocates.

ANISH DAYAL, J.

% **J U D G M E N T**

1. This petition under Section 9 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as “**A&C Act**”) was referred to the Intellectual Property Division of this Court since it related to protection of intellectual property rights of the petitioner. Petitioner seeks a restraint before the commencement of



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arbitration, on the respondent, from distributing and publishing the impugned video titled ‘*Jindal Steel- the Steel of India*’ on all platforms including videos, social media etc. during the pendency of arbitration proceedings or in any manner infringing petitioner’s copyright in the ad film campaign which was prepared by petitioner under the agreement (hereinafter referred to as “**Services Agreement**”) dated 8th May, 2023 executed between the parties. Relief is also sought for recognizing the petitioner as the original creator and copyright owner of the impugned video, and restraining the respondent from disclosing petitioner’s confidential information i.e. the impugned video and from creating any third-party rights in the said intellectual property / confidential information.

2. The petitioner, an advertising agency, is the Indian Arm of Wieden + Kennedy Inc., which is a global creative company claiming to have developed some of world’s best-known brands. Petitioner claims to have been instrumental in building India's biggest brands and campaigns including Make in India, IndiGo, Oberoi Hotels amongst others and global brands like Nike, Airbnb, and Audi.

3. Petitioner had previously been engaged by respondent for developing their ‘*Steel of Oman*’ campaign and ‘*Jindal Panther TMT Rebars*’ campaign which were successfully executed. In April 2023, Services Agreement was executed between petitioner and respondent to develop a brand campaign to bring out role of steel in shaping the nation, particularly in the 76th year of Indian independence and collaterally, make respondent (*Jindal*) synonymous with steel. The scope of work under the Services Agreement involved deliverables of a Television Commercial (*TVC*) / digital film or a series of films (one up to



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four) in case of a multiple film approach. Project milestones included - (a) arriving at a strategic platform, (b) core creative idea leading to the brand campaign; (c) film production, (d) final film presentation and release. All this was to be executed within 4 months of the effective date i.e. 1st May to 31st August, (term). Consideration for provision of services was agreed at Rs. 1.75 crores plus taxes which was to be paid in the following manner:

- i. 50% was to be paid immediately,
- ii. 25% of the fees by end of second month i.e. 30th June 2023,
- iii. Balance 25% on completion of the final deliverable, and
- iv. within 14 days from the date of invoice for (ii) and (iii) above.

These provisions are encapsulated in clause 3.1 to 3.3 of the Services Agreement.

Relevant provisions of the Services Agreement

4. Clause 5.1, 5.2 and 5.3 of the Services Agreement, essentially provided that all advertising materials prepared and presented by the agency and accepted by respondent, will be transferred to respondent, subject to release of all the payments; those rejected by the respondent would remain exclusive property of the petitioner; and all material and services procured from 3rd parties, would subject to receipt of payments, be the property of respondent, subject to other conditions.

5. Termination provisions are *inter alia* provided in clause 7.1 to 7.3 of the Services Agreement. Clause 7.1 required the terminating party to give 30 days' prior written notice in case of a no-fault termination, and clause 7.3 required the aggrieved party to notify the party in breach with cure period of 10 days, before



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terminating the agreement.

6. Confidentiality provisions were encapsulated in clause 9 of the Services Agreement. By clause 11.4, the agreement was subject to jurisdiction of courts in New Delhi. Dispute Resolution was provided for by clause 11.3 of the Services Agreement which reads as under:

11. **GOVERNING LAW AND DISPUTE RESOLUTION**

11.1. This Agreement shall be governed by and construed in accordance with the laws of India.

11.2. The Parties shall initially attempt to resolve any controversy, dispute or claim between them arising out of or relating to this Agreement or breach thereof through good faith negotiation.

11.3. If the Parties are unsuccessful at resolving the dispute through negotiations within 30 (thirty) days from the date of commencement of such negotiations, then such dispute shall be referred to arbitration. The Parties shall mutually appoint a sole arbitrator to resolve any such dispute/s. In the event that the Parties are unable to agree upon a sole arbitrator, the same shall be appointed in accordance with the provisions of the Arbitration and Conciliation Act, 1996, which shall be the governing law of arbitration. The venue of arbitration shall be New Delhi. The Parties shall be entitled to apply for interim relief in any court of competent jurisdiction. The arbitration proceedings shall be in the English language. The award of the arbitrator shall be substantiated in writing. The arbitrator shall be entitled to award interest. The arbitrator shall decide on the costs of the arbitration. The award shall be final and binding upon the Parties. The provisions of this Clause 11.3 shall survive the expiry or termination of this Agreement.

11.4. Subject to the provisions of Clause 11.3, any disputes arising out of this Agreement shall be subject to Jurisdiction of Court at New Delhi, India only.

7. Petitioner claimed that it developed the ad film titled '*Steel of India*' including the script, elements, narrative flow in the form of a montage video which consisted of original works including script, screenplay, novel elements, unique expressions, musical themes. Petitioner, therefore, claims the authorship and copyright in these works which included literary works and dramatic works under Section 2(1)(h) and 2 (1)(o) of the Copyright Act, 1957



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(hereinafter referred to as “**the Copyright Act**”). Grievance of petitioner arises from the fact that despite having substantially worked on the project and delivered on a substantial set of milestones, having shared the petitioner’s work with the respondent, the respondent terminated the Services Agreement on 25th July 2023, did not honour the terms of payment, and thereafter, went ahead and launched the impugned video in March 2024. Efforts at settlement post notice of termination, did not bear fruit; petitioner issued a cease-and-desist notice to which respondent replied. In these circumstances petitioner was constrained to approach this Court, prior to invocation of arbitration under clause 11.4 of Services Agreement for interim relief under Section 9 A&C Act.

Sequence of Events

8. For a fuller appreciation of facts, it would be worthwhile to narrate the flow of events in a chronological sequence:

8.1 From 9th to 15th May 2023, work was commenced to develop the campaign and various meetings took place between the parties;

8.2 On 27th May 2023, petitioner presented 4 options for the ad campaign including ‘*Jude Raho India*’ as potential themes. The presentation to the respondent is appended as Document 6 to the petition which included a suggested montage format, the summary of the ‘*Jude Raho*’ campaign, emotions to be achieved, three scratch films (which included scratch film 1 and 2 on ‘*Jude Raho*’ theme) and a poem for ‘*Jude Raho*’ theme;

8.3 On 5th June 2023, pursuant to discussion between the parties, it was agreed they would proceed ahead with the ‘*Jude Raho*’ option for the campaign; recording of the meeting has been appended as Document 7 to the petition;



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8.4 On 12th June 2023, a presentation and recording were shared *via* email where the petitioner explained the montage concept, the ‘*Jude Raho India*’ concept, provided a humanising sequence with expression, elements bucket, voice over transcript, suggestions of director and other team members to execute the said ideas. Three scratch films were also shared during the said meeting of 12th June 2023. Importantly, the long list of steel elements which would form the basis of montage were provided in the said presentation. It would be instructive to extract the text of the email sent by petitioner to respondent on 12th June 2023. To this, respondent reverted selecting elements from the long list and provided a shorter list. Both the email from and to the petitioner are extracted hereunder for ease of reference:

“On Mon, 12 Jun 2023 at 16:24, Preksha Shinde preksha.shinde@wk.com wrote:

Dear Venkatesh and Mr. Misra,

Thank you again for your time this morning. Attached herewith is the deck presented and [here's](#) the link for the recording of the meeting.

Sharing a quick summary of important action points below:

- Route 1(Jude Raho India) is the final route we go ahead with*
- The idea of bringing India together is approved, alternate tag line options need to be shared for Jude Raho India*
- While most important use cases were highlighted on call, Jindal team to share a shortlist from the larger listen closed in the presentation. Post that we can discuss those eventually with the director and finalise visuals as we proceed*
- W+K can start reaching out to the suggested directors and lyricists and come back with costs and final recommendations*



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- *The largest flag pole idea to be worked on priority - in collaboration with Flag foundation of India. Thank you for sharing the POC Mr. Misra, will reach out to Gen Kohli soon*
- *Jindal team to pick from the remaining surround ideas and let us know the order of priority. In the meantime, W+K team to fine tune the ideas and also think of collaborations to facilitate activity for Jindal Steel to create actual impact*
- *W+K to share a time plan with key milestones and outlined next steps leading up to the 15th August live date*
- *Concepts and photographer suggestions for the print/OOH campaign will be shared by W+K*
- *Correct logo files to be shared with W+K*

We will reach out soon as to when we meet next.

Regards,

Preksha Shinde

W+K India”

“On Mon, 12 Jun 2023 at 6:50 PM, VJ <vj@jspadvisory.com> wrote:

Hi Preksha,

Nicely captured. Feel free to reduce the below list to make it even sharper after discussing with director etc:

1. Nation building (large)

- *Fighter jets, tanks, army troops, artillery*
- *Trains & railway line*
- *Wind mills*
- *Large construction: sea link (Mumbai), skyscrapers, flagpole, bridges over rivers*
- *Space: rocket launch, satellite*
- *Transmission towers*
- *Shipping*



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2. *Personal (small)*

- *Automobiles*
- *Thali (utensils)*
- *Stethoscope*
- *Washing machines, refrigerator*
- *Roof over home*
- *Watch*
- *Tiffin (steel tiffin)*
- *Pen (fountain pen)*
- *Bottle opener*

3. *Sentiment / steely resolve*

- *Athletes / winning / lifting the cup*
- *Cultural (kerala sword fight and more to show pan India)*

Paddy – please come back with a timeline on next steps.

I will come back on the rest.

*Thanks, and best,
Venkatesh”*

8.5 On 21st June 2023, another presentation was shared by petitioner which contained further lyrics of the ‘*Jude Raho India*’ campaign, the elements bucket and details of the print campaign. These are appended as Document 10 to the petition. Various pictures and images were also provided in the said presentation.

8.6 On 29th and 30th June 2023, treatment note by Director Aakash Bhatia was shared by petitioner for a video film itself which included aspects of screen play, cinematography, characters and performance, stock and design, narrative flow, editing, sound design, casting, look and feel etc. As part of the look and feel a number of images were provided by the Director in the treatment note. The communication as well as the treatment note have been annexed by the



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petitioner as Document - 11 (Colly).

8.7 On 1st July 2023, respondent emailed the petitioner providing slides and YouTube links and some suggestions, this mail is extracted as under:

“Narendra Misra <narendra.misra@jspadvisory.com> Sat, Jul 1, 2023 at 2:42 PM To: Preksha Shinde <preksha.shinde@wk.com> Cc: V J <vj@jspadvisory.com>, Ayesha Ghosh <ayesha.ghosh@wk.com>, Santosh Padhi <santosh.padhi@wk.com>

Hi Preksha

Thanks for this. I have been able to see the slides and view YouTube links. I will give my views separately but wanted to share a perspective, if that helps in the narrative in some way. Steel has two unique qualities which no other everyday use metals have and both have to do with 'jodna'.

1. It is weldable - two separate steel pieces can be joined perfectly and seamlessly in one. Everyday use is welding of steel rails to make long railway lines running thousands of kilometers (trans-siberian rail - longest in the world – is close to 10,000 kms length).

2. It is the only major metal which is magnetic - sticks quickly and firmly to the magnet

Regards”

8.8 On 4th July 2023, a request was made by petitioner for payments, in particular 50% advance payment which was overdue. The said mail was replied to by respondent on the same day asking the petitioner to continue services and that payments would be released within a week. The said emails are extracted



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as under:

*“On Tue, Jul 4, 2023 at 12:41 /span>PM Preksha Shinde
<preksha.shinde@wk.com> wrote:*

Dear Ashok,

Hope you’re doing well. This is in regard to our 50% advance payment that is overdue. The team has been working on the project for over a month without any payments flowing in and we would unfortunately need to pause operations on the project until the above-mentioned payment comes through.

Awaiting your response on the status of the same.

Regards,

Preksha”

*“On Tue, Jul 4, 2023 at 3:33 /span>PM Ashok Mahunta
<ashok.mahunta@jindalsteel.com> wrote:*

Hi Preksha,

Please continue the services, the payments shall be released within this week.

Regards

Ashok Mahunta”

8.9 On 14th July 2023, petitioner shared through email the ‘Steel of India’ film campaign, visual of which is appended as Document 12 to the petition. Further emails were exchanged on 11th July 2023, 13th July 2023, 17th July 2023 and 19th July 2023 by petitioner to respondent regarding invoices and payment



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not being received.

8.10 On 25th July 2023, an email was sent from respondent to petitioner simply stating that they were terminating the services contract with immediate effect on grounds that there was a change of team and there were inadvertent delays along with a proposal to pay 15% of the contract price as one time settlement. The said email is extracted as under:

*“On Tue, Jul 25, 2023 at 5:52 PM Ashok Mahunta
<ashok.mahunta@jindalsteel.com> wrote:*

Hi Ayesha,

This is in reference to our conversation earlier regarding the termination of “Steel of India” contract/assignment, please note that we are compelled to do so because of the following reasons and/or event which are solely attributable to W&K, although we had very good partnership in “Steel of Oman” assignment:

*1. **Change of team:** We had decided to engage with you for the Steel of India campaign only looking at the quality of output delivered by the team that was engaged in the Steel of Oman project. However, to our surprise we have learned that there is a complete change of team for this project, reasons of which are best known to you. You didn't inform us about the same. It may be noted that there are several agencies that are working with us India, but we choose you on single vendor basis only because of the team's quality that had worked on the Steel of Oman project.*



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*2. **Inadvertent delays:** There were several delays from your side in various deliverables against committed timelines. This not only affected the progress but also jeopardised the 15th August launch, which was the primary motive of our engagement. The project doesn't make as much sense if it can't be launched on the said date.*

Hence looking at all the above facts, we are hereby terminating the Steel of India contract/ assignment with immediate effect.

Although we shouldn't be paying anything against this contract as none of the deliverables made till date are of any use to us or were adequately aligned to our vision, however looking at our association in the past, we propose to pay you 15% of the contract price as an one time settlement against your claim of 50% of the contract price. This is probably the best that we can do under the current circumstances, and we expect you to give your acceptance on the same, considering that the door for future business relationship stays open.

Regards

Ashok Mahunta"

8.11 On 26th July 2023, the said email was responded to by petitioner with detailed responses on issues raised by respondent stating that 50% of the project fee was due and requesting respondent not to share petitioner's ideas and scripts with other agencies / partners without petitioner's prior knowledge. The said



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email response is as under:

*“On Wed, Jul 26, 2023 at 3:12 /span>PM Ayesha Ghosh
<ayesha.ghosh@wk.com> wrote:*

Hi Ashok,

*With all due respect, we strongly disagree with the points you
have brought up in your mail.*

1.

*Paddy, as Chief Creative Officer, is the highest authority on
creative at W+K India. He is the one who is responsible for the
Steel of Oman turning out the way it did. He re-wrote the football
script with the team, he insisted on Ayappa as the first preference,
as he strongly felt Ayappa would do justice to the script. Paddy
was seeing the film in a certain way and wanted that brought to
being at every step of the film, which is why he was closely
involved throughout. It is very unusual for the creative head of an
agency to be on shoot but Paddy was in Oman for a whole week.
He was the one taking all important calls with Ayappa during the
shoot. After the shoot, he solely fronted the post production, right
from the edit, grading to music, as the production house was
based in Mumbai and so is Paddy.*

*His involvement in the Steel of India project has been total. He
has himself been conceptualising and writing for this project. His
creative prowess is a well documented fact in the industry and his
haul of awards speaks to the same. We have given you his*



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dedicated time for this project because we were inspired by the brief and we knew a lot was at stake.

Over the past three months that we have been working on this brief, Venky never asked for a team; he kept telling Paddy to once again (like the Steel of Oman) deliver a great product. The one time he brought up a team was recently, when we decided to explore directors other than Akash Bhatia. In any case, to ensure a width of exploration, we had involved 2 executive creative directors (Yogesh Rijhwani and Abhishek Deshwal) plus most of the Mumbai creative team was working on print and activation ideas as well as scripts. In fact one of the routes was presented by Yogesh and along with Preksha, he was interacting with the ex-army person on activation ideas.

Since Venky prefers a lean team, only the key people were at meetings, all of whom are department heads of W+K.

Head of planning- Anirban

Head of creative - Paddy

Head of business - Ayesha

Beyond scope of work

Apart from TV, we presented more than a dozen activation ideas which we were asked to proceed on. The same happened with print and outdoor. We presented 4 concepts as options and one was picked and we were asked to proceed with that.

*Both the above were **not** part of the scope but since Venky asked for it, we went ahead and presented those as well.*



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Technically we deserve a separate cancellation fee for that, as activation and print were approved and given a go ahead, while not being in scope. When Paddy presented the idea of static images to be turned into an exhibition by printing them on steel plates, even that was given a go ahead.

We presented 5 different campaign / film routes and many alterations on the final approved route, including 4 options of lyrics, two of which were done by professional lyricists, as favours to us.

2.

There were no delays from our end. In fact the go ahead for this project came much later than anticipated. The Steel of Oman project took us 4-5 months to deliver. In comparison, we got a go ahead for this one towards the end of June, for a 15 August delivery. That's a 2 month time frame. Even in this time frame, we have presented work rapidly at every stage. We can pull out text messages and mails to show you this. We've sent mails asking for quick feedback so that we could have moved quicker.

In close to three decades of having worked in this business, we've done a plethora of projects for a plethora of clients. Due to the subjective nature of advertising, especially something like this, which involves translating a vision to a concept, we start with a wider set of approaches, of which the ones that the client likes get shortlisted, till we refine further and arrive at the one we want to take forward. That's the process we followed here too. We would not have spent as much time and energy as we did on finding the



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right directors for the script, unless we had a script that we were asked to progress to the production stage. With Akash Bhatia, we had almost reached the stage of PPM and then we opened it up again and took the same script to other directors.

Our fee is secondary and the primary concern is creating a superb creative product. We invested 3 months of time and energy for the love of the task and to get to the best work. We think we had a winner and some top notch directors that we had been speaking to, were even more excited about the script than us. So we are demoralised and disappointed that this is being called off.

We should be paid what is owed to us. As our contract states, at the stage of talking to directors about production of a script, 50% of the project fee is due. This is an accurate representation of the intense work that has gone into this project.

Future business with JSPL is always welcome. We respect your team and have worked well with the creative autonomy given to us. But that is a separate matter from this one.

We trust that you will do the fair thing and pay us our due 50%. And we also trust that you will not share our creative ideas and scripts with other agencies/partners without our prior knowledge.

*Regards,
Ayesha”*



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8.12 Subsequent emails were exchanged from 7th August 2023 onwards; essentially the discussion involved petitioner's demand for a proper settlement of their fee, as evident from the extract of email of 22nd August 2023;

"..7. Therefore, as per the terms of the Agreement, you rightfully owe us: (i) 75% (seventy-five percent) of the Fees amounting to Rs. 1,54,87,500/- Incl GST; plus (ii) interest at the rate of 54% on the amount of Rs. 15,65,723/-, payable from the date the amount were due till such time as the Fees with due interest is received by us; plus (iii) additional fees of Rs. 80,00,000/- for the "Special Services" performed outside our "Scope of Work"; all collectively referred to as the "Due Amounts". We believe this figure is an accurate representation of the time and creative efforts we have invested in this Project...

This communication is without prejudice to all rights and entitlements that we may have under the Agreement, or under any document or otherwise under law or in equity.

*Best regards,
Utpal Sharma
Head of Finance"*

8.13 Discussions between the parties did not fructify as the respondent agreed to pay only INR 25 lakhs as payment towards full and final settlement.

8.14 Around 18th March 2024, there was a media launch of respondent's new



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campaign titled ‘*Steel of India*’ stated to have been developed by Ambrish Kondulkar, Director of Kondulkar Studio, Film Director Ayappa K. M. and Bharat Sikka, photographer, the track being composed by Sneha Khandalkar. The said campaign was stated to have juxtaposed physical attributes of steel, its presence in every Indians’ life, emotional aspects including grit and growth, portraits of individuals from various backgrounds, blended with images and music.

8.15 Pursuant to this media launch on 1st April 2024, a cease-and-desist notice was issued by petitioner to respondent expressing their shock to see the new video campaign released on 14th March 2024 on YouTube, alleging it was flagrant reproduction of works which were developed and pitched by the petitioner during the currency of Services Agreement and that impugned video had all the narrative factors and works done by the petitioner. Respondent was called upon on to cease and desist from playing and disseminating the impugned video and to take it down from all digital platforms.

8.16 The cease and desist was responded to by respondent on 6th April 2024 refuting the allegations and stating that the presentations provided by petitioner were merely broad ideas which were not protected under the Copyright Act.

Submissions on behalf of the Petitioner

9. In this factual context, Ms. Swati Sukumar, counsel for the petitioner asserted that petitioner had fleshed out all elements of the ad campaign under the Services Agreement including the script, elements, narrative flow, montage video, screenplay, unique expressions, musical themes, scratch films format which would collectively be encapsulated within the definition of literary and



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dramatic works under the Copyright Act. The overarching theme of ‘*Jude Raho*’ had also been selected by the respondent, as evident from the sequence of meetings, details of which are provided above. The montage format set to a background music score involved a visual sequence showing broad spectrum examples of steel usage including examples from everyday use of steel to large-scale use of steel in nation building. These visual sequences were stitched together to convey the role of steel and how it joins everybody together. The ad campaign included a video score with steel-based sounds and petitioner had provided a detailed list of examples of steel usage for the film categorised under various categories. She had drawn attention to the list of elements provided by petitioner which are extracted from presentation as under:

NATION BUILDING	HOUSEHOLD	PERSONAL	KITCHEN	SMALL ITEMS
<u>Tanks/ships</u>	<u>Storages/boxes</u>	<u>Watch</u>	<u>Appliances</u>	<u>Foot roller</u>
<u>Planes/jets</u>	<u>Roofs/ceilings/bars</u>	<u>Finger ring</u>	<u>Cutlery</u>	<u>Protector</u>
<u>Windmills</u>	<u>Tables/chairs</u>	<u>Locks</u>	<u>Bowls/plates</u>	<u>Key chain</u>
<u>Swords</u>	<u>Cupboards</u>	<u>Door kadi</u>	<u>Straw/egg beater</u>	<u>Pen nip</u>
<u>Weapons</u>	<u>Sculptures/art</u>	<u>Tiffin</u>	<u>Salt pepper container</u>	<u>Needle</u>
<u>Automobiles</u>	<u>Suitcase/chain</u>	<u>Table office bell</u>	<u>Bottle Opener</u>	<u>Screws</u>
<u>Tractors</u>	<u>TV antenna</u>	<u>Ball bearing</u>	<u>Dust bin</u>	<u>Nut bolts</u>
<u>Trains</u>	<u>Safes/lockers</u>	<u>Torch</u>	<u>Coffee container</u>	<u>Piercing rings</u>
<u>Rail lines</u>	<u>Doors windows</u>	<u>Tarazoo</u>	<u>Kid feeding spoon</u>	<u>Razor / blade</u>
<u>Roadways</u>	<u>Ladder</u>	<u>Marine compass</u>	<u>Knife/Scissors</u>	<u>U pin clip</u>
<u>Machinery</u>		<u>Magnifying glass</u>	<u>Basket/trolley</u>	<u>Electric tester</u>
<u>Infrastructure</u>	CONSTRUCTION	<u>Disc antenna</u>		<u>Donation box</u>
<u>Towers/buildings</u>	<u>Structures</u>	<u>Dandiya dance</u>	FITNESS/ SPORTS	<u>Coin</u>
<u>Solar panel</u>	<u>Instruments</u>		<u>Stadium</u>	
<u>Hydro power</u>	<u>Containers</u>	HEALTHCARE	<u>Arenas</u>	CULTURE
<u>Wind power</u>	<u>Vehicles</u>	<u>Surgical instruments</u>	<u>Equipments</u>	<u>Taveez</u>
<u>Robots</u>	<u>Ploughs/Diggers</u>	<u>Bed/stretcher</u>	<u>Cycling</u>	<u>Kadda</u>
<u>Telescope</u>	<u>Hammer/spanners</u>	<u>Doctor stick needles</u>	<u>Gym bar/dumbbells</u>	<u>God statues</u>
<u>Jet/fighter plane</u>	<u>Hinges/screws</u>	<u>Steel bone plate</u>	<u>Medals/Trophies</u>	<u>Kerala sword fight</u>
<u>Flag pole</u>		<u>Injection</u>	<u>Helmet grill/spikes</u>	<u>Religious symbol</u>
		<u>Stethoscope</u>		

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10. She further dwelled on the fact that the meetings were attended by top leadership of respondent company and therefore they had a *bona fide* belief in the seriousness of respondent's intention to complete the project. In particular, she fleshed out the following aspects of what would be included between dramatic works, literary works and cinematograph film.

1. Dramatic works: The dramatic work included a sequence or flow and recitation and scenic arrangements based on the 'Jude Raho India' theme, which the Petitioner created.
2. Script: The dramatic work is also based on a script, which is a literary work identifying the precise elements of the final film. Particularly, the Petitioner penned an original work of poetry, titled "Jodte Aye Hain, Jodte Jayenge", which was intended to be evocative of the ability of steel to connect the country. This work of poetry was authored by Santosh Padhi , who is a full time employee of the Petitioner and the



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works of Santosh Padhi belong to the Petitioner, by contract by virtue of section 17 of the Copyright Act, 1957.

3. Screenplay: In addition, the petitioner also provided a written list of various dramatic elements that could be used to create a visual montage on the theme of nation building, household use, construction, personal use, healthcare, kitchen use, fitness/sports, culture and small elements. It is pertinent to note that the Petitioner was responsible for creating these unique categories which the Petitioner then populated with elements to be used in the advertisements, for the Respondent's ease of reference.
4. Scratch films: The Petitioner also created sample films using stock videos in the form of montage videos, which depicted the use of steel across spectrums to demonstrate the Steel of India campaign that was developed by it. True and correct copy of the scratch films, which formed a part of the presentation dated June 12, 2023 are being annexed separately as **DOCUMENT NO. 9 (COLLY)**.
5. Musical theme: The Petitioner also conceptualized and developed the steel based sounds as the music score that is to be a part of the ad campaign.
6. Elements depicting steel: The Petitioner provided the Respondent with specific elements depicting the use of steel across spectrums, such as swords used in fencing, gym equipment, sports, screws, needles, suitcases,



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trains, rail tracks, cooking, religion, fashion accessories, musical instruments, agriculture, *ghungroos* for dance, construction, infrastructure such as roads, building and railways, cycling, ferris wheel, piercings, stethoscope, invention in steel/robots.

7. Specific instances depicting use of steel: That not only elements, but various use case scenarios of steel were also shared by the Petitioner, such as *Kalaripayattu*, an ancient martial arts form from Kerala; fencing with steel swords; the malleability of steel; the use of steel as needle and in sewing machines; steel bars in trains; steel in ferris wheel; steel utensils used for cooking.

11. Petitioner's counsel therefore asserted that having provided respondent with considerable material and respondent having selected certain elements from the list of elements suggested, as evident from exchange of communication (particularly on 12th June 2023 and 29th June 2023) the sudden termination on 25th July 2023, without any reason or warning was dishonest, *mala fide* and intended to deprive the petitioner not only of copyright of works but also of fee under the Services Agreement.

12. It was argued that considering the respondent had rejected the work, question of it claiming copyright does not arise; moreover, payment itself was not dependent on deliverables as was evident from clause 3.3 of the Services Agreement. It is stated that the launch of the impugned video / campaign by



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respondent on 14th March 2024 not only infringed their copyright but also amounted to breach of confidentiality having shared various aspects of presentations made by petitioner to the respondent with the 3rd party in order to develop the impugned video. While at this stage, petitioner's counsel stated that they have no problems with the stills which the respondent had used on billboards but they do have serious grievance with the impugned video being disseminated.

13. In support of her submissions, she relied *inter alia* on the decision in ***Brand David Communications Pvt. Ltd. & Anr. v. Vivo Mobile India Private Limited & Anr.***, 2019 SCC OnLine Bom 9389 where in similar facts and circumstances, a restraint was sought against dissemination of a TVC/ advertisement/ film, so as to not infringe plaintiff's copyright. The Bombay High Court reached a *prima facie* conclusion that plaintiffs were entitled to an injunction, however, considering the balance of convenience, direction for deposit of money had been passed; ***Anil Gupta & Anr. v. Kunal Dass Gupta & Ors.*** (2002) SCC OnLine Del 250 where this Court had held that when an idea had been developed and substantial fundamental aspects of the mode of expression were present in defendant's work, it will amount to violation of copyright.

Submissions by Respondent

14. Mr. Sandeep Sethi, Senior Advocate for respondent, in response, submitted that the question of infringement of copyright does not arise since the impugned video prepared by respondent and now launched on 14th March 2023, had distinct elements from what had been presented by the petitioner, in that



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there was no voice over, no poem used, screen play had not been used, images used were different, manner in which images were stitched together was different and theme of montage was not a novelty in the steel industry. Moreover, he submitted that there was no copyright in an idea and what the petitioner had presented was merely an idea which had not been converted into an expressed form or crystallised in literary and dramatic work. In any event, the preparation of material with petitioner in the ad campaign which was not used, was collaborative, in that respondent had also made their own suggestions, particularly with respect to elements of steel. He has drawn attention to the scratch films (which were played in Court) provided by petitioner as well as their impugned video / campaign to point out that not only they were totally different but there was no element of similarity between them. He relied on decision of the Supreme Court in *R. G. Anand v. Delux Films & Ors.*, (1978) 4 SCC 118 to contend that there can be no copyright of an idea, subject matter, themes it can only be confined to the form, manner and arrangement, expression of idea by the author. Where the theme is same but presented and treated differently so that the work becomes completely new work, no question of violation of copyright arises.

15. He further stressed on issue of balance of convenience supported by an affidavit to contend that the impugned video had already been launched on 14th March 2024 and had been live for 34 days as on 16th April 2024. The petitioner had issued notice only on 1st April 2024, after 19 days of the launch despite knowledge that the launch had happened. A detailed response was given by respondent on 6th April 2024; however, the cease-and-desist notice did not



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invoke arbitration. In the meantime, the respondent had spent significant resources amounting to Rs. 11.88 crores in developing the new ad campaign. It was pointed out that respondent had hired 251 billboards, digital screens and static panels across India in major cities and hubs such as airports and metro stations for JSPL campaign. The total cost of billboards, digital screens and static panels was estimated at Rs. 16.35 crores details of which were given in said affidavit. It was stressed that the campaign had also become part of the IPL event with buy out of 1,980 seconds costing Rs. 27 crores; the print advertisements which were booked, costed estimated Rs. 1.85 crores and the launch on digital platforms was estimated at Rs. 1 crore; screening at PVR cinemas before movies and during intervals, commenced on 15th March 2024, estimated at Rs. 5 crores. It was therefore, highlighted that grant of any injunction would cause massive irreparable prejudice to respondent and in any event, as evident from correspondence exchanged, the demand of petitioner was essentially of monies which could be liquidated to a maximum amount of Rs. 1.75 crores in terms of clause 3.3 of the agreement. Injunction could not be granted when relief was compensable in money, without prejudice to their rights and contentions. Senior counsel stated that without prejudice to their rights and contentions, respondent is willing to deposit Rs. 50 lakhs to express their *bona fides* in the matter before commencement of arbitration.

16. An additional point of arbitrability was raised by the senior counsel for respondent relying on decision of this Court Supreme Court's observation in *A. Ayyasamy v. A. Paramasivam* (2016) 10 SCC 386 where the Court has stated in para 14 that the categories of disputes which are treated as non-arbitrable



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include patent, trademark and copyright disputes. Reliance was also placed on *Vidya Drolia. & Ors. v. Durga Trading Corporation* (2021) 2 SCC 1 where the Hon'ble Supreme Court stated in para 48 that where rights asserted are in *rem*, disputes cannot be arbitrable. However, a claim for infringement of copyright against a particular person was considered as arbitrable even though the examination of the rights of petitioner would be essentially in *rem*.

Submissions in Rejoinder

17. Ms. Swati Sukumar, counsel for the petitioner objected to the issue of arbitrability by relying on the decision of this Court in *Liberty Footwear Co. v. Liberty International*, (2023) SCC OnLine Del 83 noting that this Court held in para 22 that disputes relating to subordinate' rights in *personam* arising from rights in *rem* are considered to be arbitrable including a claim for infringement of copyright against a particular person even though the larger right arises as a right in *rem*. She further stated that the respondent's contention that petitioner had delayed approaching the Court was due to mutual discussions through which they had hoped to close the matter with respondent and were, therefore, constrained to come before this Court only when the settlement talks broke down. She pointed out to the dishonest attitude of respondent and that they unilaterally terminated the contract midstream, while the work was going on, and did not give name of other agency which they had involved, even in reply to the cease-and-desist notice and within a few months came up with a new campaign which was a substantial reproduction of the themes, screen play context and images provided by the petitioner.

18. As regards balance of convenience, she pointed out various old



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advertisements and campaigns of respondent and they would be in a position to use them without using the impugned video / campaign and would not cause any harm whatsoever. She further stated that the fact that the video would be disseminated would cause petitioner a considerable harm since advertising agencies essentially rely upon the reputation they earn from successful campaigns including various advertising awards which add to their goodwill and commercial reputation.

Analysis and Conclusion

19. The first threshold which needs to be crossed is about the issue of arbitrability considering that this petition is under Section 9 of A&C Act. It is settled law that actions in *rem* are excluded from arbitration and a four-fold test has been propounded by the Hon'ble Supreme Court in para 76 of *Vidya Drolia (supra)*. In para 77 there is a cursory reference to intellectual property issues regarding grant and issue of patents and registration of trademarks which are considered as exclusive matters falling within the sovereign of government function and having *erga omnes* effect. However, in para 48 itself the Court has specifically stated that a claim for infringement of copyright against a particular person is arbitrable though the arbitrator would end up examining the right to copyright which was a right in *rem*. This aspect has been reiterated by a Coordinate Bench of this Court in *Liberty Footwear (supra)* quite succinctly in para 2 which is extracted as hereunder:

“22. The Supreme Court has, therefore, held that a distinction is to be drawn between an action in personam, that is, actions which determine the rights and interests of the parties themselves in the subject-



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matter of the case, and actions in rem, which refer to actions determining the title to the property and the rights of the parties, not merely among themselves but also against all persons at any time claiming an interest in that property. While rights in personam are amenable to arbitration, disputes in rem are required to be adjudicated by the Courts and Public Tribunals, therefore, being unsuitable for private arbitration. However, disputes relating to subordinate rights in personam arising from rights in rem are considered to be arbitrable. The Supreme Court, in fact, gives an example stating that rights under a patent license may be arbitrated, but the validity of the underline patent may not be arbitrable; similarly, a claim for infringement of copyright against a particular person is arbitrable, though in some manner the arbitrator would examine the right to copyright, a right in rem.”

(emphasis added)

20. In the opinion of this Court, the issue of arbitrability ought not to arise in a situation where petitioner claims copyright of works developed as part of Services Agreement and alleges breach of various contractual provisions by the client, in this case the respondent.

21. These are not situations relating to registration of intellectual property rights but specific allegations of breach by a contracting party of terms resident in an agreement.

22. Respondent has therefore not made out any case for non-arbitrability of the said dispute. This Court therefore does not consider it fit to deliberate on this further and leaves it to respective rights and contentions to be raised by parties in the arbitration.



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23. It is an admitted position that the dispute arose under the Services Agreement of 8th May 2023 executed between the parties, which contains a dispute resolution clause 11.3, as has been extracted in para 6 above. The dispute therefore has to be arbitrated under a sole arbitrator as per the clause.

24. Having perused the documents and appreciating contentions of the parties, this Court notes that, as evident from communication extracted above and the flow of events, the parties were consistently collaborating to develop an ad campaign under the Services Agreement. Not only were there substantial presentations made for the proposed theme, format, content of the campaign but the respondent also made a choice and selection to go ahead with '*Jude Raho India*' theme. This is evident from communications of 27th May 2023, 5th June 2023, 12th June 2023, 21st June 2023, 29th June 2023 and 14th July 2023. In fact, it is surprising that there was no precursor to sudden termination which the respondent delivered on 25th July 2023. There is no communication on record nor asserted by respondent, prior to 25th July 2023 when unilateral termination was communicated, which expressed specific grievances in relation to delivery. Emails of 14th July 2023 as mentioned in para 8.9 above, specifically bear out that '*Steel of India*' campaign was shared by petitioner. Also, there were discussions on payment of 50% advance in email of 14th July 2023 which significantly were responded to by respondent on the same day stating that "*please continue services, the payments shall be released within this week*". Thereafter, within a week or 10 days, respondent issued termination notice which seems to this Court a bit amiss in these circumstances. Further, there was no explanation offered by the senior counsel for respondent, as to why payment



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of 50% of the fees as mandated by clause 3.3 (a) of the Services Agreement had not been paid. This too was the demand on 4th July 2023 by the petitioner, which *ex facie*, purely under the terms of contract, could have been due.

25. Even though the parties entered into discussions post the termination notice being issued, it is quite evident from documents on record, at least at this *prima facie* stage, that no payment was made to petitioner as per clause 3.3 (a), or in fact clause 3.3 (b) which mandated 25% of the fee by 30th June 2023 nor did the settlement fructify, the demand of petitioner being 75% plus interest whereas offer of the respondent being Rs. 25 lacs (all inclusive).

26. Regards the allegation of infringement of copyright, the Court at this stage does not wish to go through a mini-trial on the aspect of infringement of copyright considering it involves various aspects of whether the presentation made by petitioner would amount to a literary, dramatic and cinematographic work; and whether at all the impugned video was substantial reproduction of the same. As has been stated in ***R. G. Anand*** (*supra*) by the Hon'ble Supreme Court, it would have to be determined if the respondent's work is nothing but a literal imitation of copyrighted work with some variations here and there and the copy is substantial and material. It would have to be determined whether or not similarities are on fundamental and substantial aspects of the mode of expression adopted in copyrighted work; or whether the treatment in impugned video is different so that it becomes a completely new work. This, in the opinion of this Court, requires parties to present their case before the sole arbitrator for which Section 17 A&C Act remedy can be perused.

27. However, some aspects which have appealed to Court, to pass interim



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measures are:

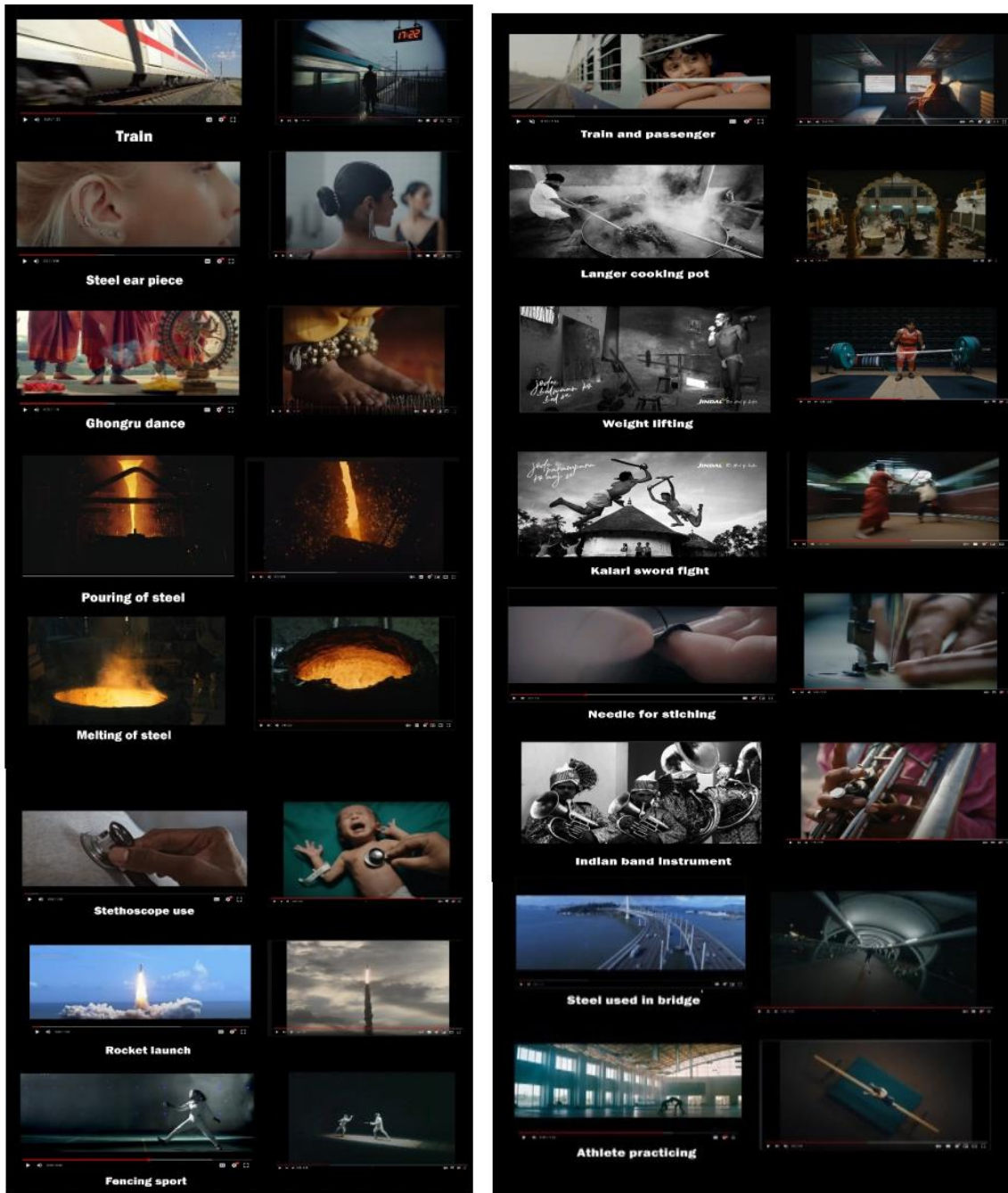
- (A) The manner in which termination was issued – the said notice did not provide 10 days for rectification of breach (so alleged); or alternatively 30 days prior to notice (if no breach was alleged), as per clause 7.3 and 7.1 respectively of the Services Agreement;
- (B) As noted above, there is no record of any dissonance between the parties at least till 25th July 2023, when the termination was suddenly issued;
- (C) The parties were engaged in prior campaigns including ‘*Steel of Oman*’ campaign and ‘*Jindal Panther TMT Rebars*’ campaign and were not alien to each other, to elicit sudden yanking off the Services Agreement;
- (D) As noted above, strictly as per clauses of agreement, payment ought to have been made by respondent to petitioner (subject of course to various other conditions, as may be argued by the respondent) which was not done;
- (E) Parties were in consultation post termination notice dated 25th July 2023, which did not fructify, prompting petitioner to approach the Court;
- (F) The launch by respondent of new campaign *prima facie* seemed to be substantially based on a similar theme, expressed through montage of sequential images and videos stitched together by a soundscape of steel. In this regard, the



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similarity of images, as has been fleshed out by petitioner, particularly respondent having used the same set of examples of images is reproduced below:





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(G) The choice of elements from elements bucket provided by petitioner to the respondent, as has been extracted in para 8.4 above are substantially the same.

28. It is clarified that observations made above are purely *prima facie* in nature for the reason that this issue of infringement of copyright will have to be considered by the sole arbitrator.

29. Importantly however, balance of convenience clearly tilts in favour of respondent. The impugned video / campaign having already been launched on 14th March 2024, it may not be in the interest of justice to injunct the respondent at this stage. This Court takes note of facts presented by the respondent (noted in para 15 above) *inter alia* relating to mass dissemination of the impugned video / campaign on various forms of media including television, digital, IPL broadcast, newspaper print, billboards, static panels, PVR theatres. The advertisement slots have already been booked and contracted in with various 3rd parties and monies have been spent, as per respondent, upon development of ad film.

30. On the other hand, if the Services Agreement had fully worked out, the petitioner would have received the monies and the respondent, the copyright. Therefore, if it is found ultimately that there was infringement of copyright, not only may the petitioner get their declaration, but also suitable recompense.

31. No irreversible prejudice is being caused at this stage to petitioner since the relief of damages would still be open for petitioner to seek from the arbitrator as also any interim measures / relief under Section 17 of the Act.

32. To balance the equities, the respondent however needs to be put to terms



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seemingly having taken benefit of material which was supplied by petitioner as part of development of campaign and for which petitioner has not been paid anything under the contract.

33. Senior counsel for respondent, without prejudice to their rights and contentions volunteered to make a deposit of Rs.50 lakhs. Despite, as per the contract, at least 50% of the fee had to be paid immediately, respondent had offered to pay a reduced amount of Rs. 50 lakhs plus 18% GST which offer was later revoked by the respondent and instead a sum of Rs.25 lakhs was offered, inclusive of GST (this is noted in the email of 24th February 2024). An invoice had also been sent by the petitioner on 12th January 2024 which was rejected on 16th February 2024 by the respondent. In these circumstances and in interest of justice, it would be appropriate that an amount of Rs. 50 lakhs plus 18% GST is deposited in the Court by the respondent, amounting to Rs. 59 lakhs with Registry of this Court within a period of 2 weeks from this order. The said amount shall be kept in form of an interest-bearing FDR initially for a period of one year, to be renewed thereafter, and subject to further directions of the sole arbitrator.

34. Needless to state that in the event the said deposit is not made within the period of 2 weeks, as directed above, there shall be an ad interim injunction against the respondent restraining them from playing, distributing, publishing the impugned video titled '*Jindal Steel – the Steel of India*' on all platforms including social media, digital platforms, broadcast. These directions are passed in interim till the parties seek relief before the sole arbitrator under Section 17 of the A&C Act.



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- 35.** The parties consented for a sole arbitrator to be appointed by this Court. Accordingly, Hon'ble Ms. Justice (Retd.) Mukta Gupta, a former Judge of this Court (Mob: 96507 88600, R/o C-8, LGF, Hauz Khas, Delhi – 110016) is appointed as the sole arbitrator. Fee and expenses of the sole arbitrator shall be fixed by the sole arbitrator, with consent of both the parties. It is made clear that all rights and contentions of the parties are left open for adjudication by the sole arbitrator. The parties shall approach the sole arbitrator within 2 weeks from today. The interim measures which are being granted by this Court shall continue to remain in force until varied or modified or set aside by the sole arbitrator. The said petition can also be treated as an application under Section 17 of the A&C Act before the sole arbitrator, if the parties so choose to press any relief.
- 36.** Petition stands disposed of with these directions.
- 37.** Pending applications, if any, also stand disposed of as infructuous.
- 38.** Judgment be uploaded forthwith on the website of this Court.

ANISH DAYAL, J.

APRIL 24, 2024/sm/ig