2026:MHC:1658

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24.04.2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

A No. 1827 of 2026
IN
C.S(COMM DIV) No. 267 of 2025

Firoz A Nadiadwala
Empire Studio 1st Floor 10th Shah Industrial
Estate Veera Desai Road, Andheri West
Mumbai 400 053Also at Base Industries Group
Plot No 20 BarkatGulmohar Cross Road No 5
Juhu Mumbai 400 049

..Applicant

Vs

Seven Arts International Limited International Limited
No. 29 Shenoy Road, Nungambakkam, Chennai 600034 Represented by its Managing Director,
Mr. G.P. Vijayakumar

..Respondent

Application filed under Order XIV Rule 8 of O.S. Rules r/w Order VII Rule 11(A) and (D) of Civil Procedure Code, 1908 to reject the plaint pending on the file of this .Court as being devoid of any cause of action or merits.

For Applicant: Mr. Nithyaesh Natraj
for M/s Vaibhav R. Venkatesh

For Respondent: Mr.Arun C.Mohan

ORDER

This application was earlier heard on 20.04.2026 and orders were dictated in Court. Before the order was finalised and signed, at the end of day, learned counsel for the applicant mentioned the matter on the ground that a material fact had not been disclosed by the plaintiff.

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Therefore, the matter is listed today under the caption "for being mentioned". Additional arguments were made today and this order is being issued upon taking note of arguments advanced on both days.

2. The suit was instituted for remedies in respect of the alleged infringement of the plaintiff's copyright in relation to all derivative works based on the Malayalam films RAMJI RAO SPEAKING and MANNAR MATHAI SPEAKING.

3. The defendant has applied for rejection of plaint on the ground of non-disclosure of cause of action.

4. The contentions of learned counsel for the applicant/defendant may be summarised as under:

4.1 The plaintiff refers to the production of the sequel of RAMJI RAO SPEAKING in the year 1995 at paragraph No.4 of the plaint. Thereafter, paragraph No.5 refers to the assignment agreement dated 12.05.2022 with no explanation for intervening events;

4.2 The plaint also refers to the production of the cinematographic film HERA PHERI in the year 2000 and to the production of PHIR HERA PHERI in 2006. Even from the narration of facts in the plaint, the suit is patently barred by limitation;

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4.3. The assignment agreement is between K.I.Siddique, M.Paul Michael, Mani C.Kappan (as confirming authority) and G.P.Vijayakumar. The plaintiff, Seven Arts International Limited International Limited, is not a party to the assignment agreement. Therefore, as per documents referred to in the plaint, no cause of action accrues to the plaintiff;

4.4 Clause 5 of the assignment agreement records that the assignors agree to initiate legal proceedings against M/s A.G. Film Pvt. Ltd. and Base Industries Group, Mumbai, whereas the suit has been filed by Seven Arts International Limited International Limited;

4.5 In the counter affidavit to this application, at paragraph No.18, the plaintiff states that the assignment agreement authorises enforcement through the Managing Director of the plaintiff as power of attorney holder. The suit has not been filed by G.P.Vijayakumar as power of attorney holder. These defects go to the root of the matter and render the plaint liable for rejection.

4.6 The assignment agreement appears to be champertous inasmuch as it provides for the initiation of litigation by the assignors. The suit should have been framed in accordance with Order III of the Code of Civil Procedure, 1908 (the CPC) whereas the plaintiff has not adhered to prescribed procedure in said regard.

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4.7 The assignment agreement does not fulfil the requirements of Section 19 of the Copyright Act, 1957 (the Copyright Act).

5. In addition to the arguments advanced on 20.04.2026, learned counsel for the applicant submitted as under today:

5.1 One of the principals under power of attorney dated 12.05.2022, Mr.K.I.Siddique, passed away on 08.08.2023. In spite of being aware of such death, the plaintiff did not disclose this crucial fact.

5.2 With the death of one of the principals, the power of attorney ceases to operate and stands revoked in terms of Section 201 of the Indian Contract Act, 1872 (the Contract Act). Clause 6 of the agreement dated 12.05.2022 is expressly subject to the assignor satisfying the requirements of Clauses 5 and 10. Therefore, there is no assignment in terms of Section 19 of the Copyright Act. The rights allegedly flowing from agreement dated 12.05.2022 lapse on account of non-exercise within the period stipulated in sub-section (4) of Section 19.

5.3 It is clear from the averments in the plaint and the documents referred to therein that the plaint is directed against the Hindi remake versions of HERA PHERI and PHIR HERA PHERI. When viewed in the context of the pleadings, the suit is barred by limitation.

5.4 On a meaningful reading of the plaint, it would be evident that the plaint does not disclose a cause of action.

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5.5 In support of these contentions, the following judgments were relied upon:

(i) McCollin vs. Gilpin (5 QBD 390), particularly paragraph Nos.4 and 5 thereof;

(ii) T.Arivandanam vs. T.V.Satyapal [(1977) 4 SCC 467], particularly paragraph Nos. 5 and 6 thereof;

(iii) Azhar Hussain vs. Rajiv Gandhi [1986 (Supp) SCC 315], particularly paragraph nos.11 and 12 thereof;

(iv) S.P.Chengalvaraya Naidu vs. Jagannath [(1994) 1 SCC 1], particularly paragraph Nos.5 and 6 thereof regarding effect of fraud; and

(v) Praleen Chopra vs. Honey Bhagat [(2020) 1 HCC (Del) 534], particularly paragraph Nos.24 and 25 thereof.

6. The contentions of learned counsel for the plaintiff in response may be summarised as under:

6.1 Limitation is a mixed question of fact and law and cannot form the basis for rejection of plaint.

6.2 The assignment agreement describes the assignee as G.P.Vijayakumar, Managing Director of Seven Arts International Limited. At paragraph No.5 of the plaint, it is stated that the plaintiff entered into assignment agreement dated 12.05.2022 and acquired remake rights

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thereunder. For purposes of deciding the application for rejection of plaint, the assertions in the plaint should be presumed to be true.

6.3 The death of one of the principals does not lead to the inference that the plaint does not disclose a cause of action.

7. From the contentions recorded above, it is clear that the basis of the application for rejection of plaint is alleged non-disclosure of cause of action. Said contention is advanced on multiple grounds. I propose to first deal with the ground of limitation. In the cause of action paragraph (paragraph No.17), the plaintiff refers *inter alia* to the execution of the assignment agreement on 12.05.2022 and the issuance of a cease and desist notice on 27.12.2024 in relation to the defendant announcing the production of HERA PHERI 3. It is also expressly stated that the cause of action continues to arise and that it is recurring and continuous. Since the present application is required to be determined on the presumption that the plaintiff's assertions in the plaint are true and correct, in the light of the assertion that the production of HERA PHERI 3 gives rise to a continuing cause of action, it cannot be concluded at this juncture that the suit is barred by limitation.

8. The second ground on which it is stated that the plaint does not disclose a cause of action is that the assignment agreement records the name of the assignee as G.P.Vijayakumar. Relying on the fundamental

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principle that a corporate entity is a juristic person, it was contended that Seven Arts International Limited does not have cause of action. In this regard, it should be noticed that the assignment agreement describes the assignee as G.P.Vijayakumar, Managing Director of Seven Arts International Limited. At paragraph No.5 of the plaint, in relevant part, the plaintiff states as under:

> *'5.The Plaintiff states that an Assignment Agreement dated 12.05.2022 was entered into between Mr. Siddique K.I. and Mr. M. Paul Michael, being the original authors of the screenplay of Ramji Rao Speaking and Mannar Mathai Speaking (hereinafter collectively referred to as "Films"), together with Mr. Mani C. Kappan, being the producer of Mannar Mathai Speaking, and the Plaintiff herein. By virtue of the said agreement, the Plaintiff acquired the remake rights including the rights to make prequels, sequels, spin-offs and adaptations in Hindi and in other North Indian languages including Bengali….'*

9. In effect, G.P.Vijayakumar, who has verified the plaint on behalf of Seven Arts International Limited and was the signatory of the assignment agreement, has asserted that the plaintiff is the assignee thereunder. At this juncture, one is not concerned with whether the plaintiff is in a position to prove and establish this assertion. Such

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determination may only be made in course of final disposal or while considering an application that enables such determination. Therefore, no case is made out to reject the plaint on the ground of non-disclosure of cause of action on this basis.

10. Another ground was that the assignors had agreed to initiate legal proceedings under Clause 5 of the agreement of 12.05.2022, whereas the suit has been instituted by a third party corporate entity. On perusal, Clause 5 appears *prima facie* to be in the nature of a carriage of proceedings clause. The suit documents include power of attorney dated 12.05.2022. The said power of attorney appears to have been executed by K.I.Siddique, M.Paul Michael along with Mani C.Kappan conferring power on G.P.Vijayakumar, Managing Director of Seven Arts International Limited. The plaint does not record that either Seven Arts International Limited or G.P.Vijayakumar are suing as agents of K.I.Siddique, M.Paul Michael and Mani C.Kappan. Even so, the plaint cannot be rejected for such reason as not disclosing a cause of action for reasons set out in the next paragraph.

11. Ordinarily, the assignee and not the assignor would sue for infringement because the assignee becomes the owner of the copyright by virtue of the assignment. At this juncture, the validity of agreement dated 12.05.2022 cannot be determined and this application has to proceed on the assumption that it is valid. Proceeding on that basis,

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assuming that the assignor fails to fulfil obligations under the carriage of proceedings clause, it would not divest the assignee of the right to sue. Therefore, merely on the ground that the assignment agreement provides that the assignor would sue and the plaint has not been presented in accordance with Order III CPC, it cannot be concluded that the plaint does not disclose a cause of action.

12. The applicant also contended that the assignment is not valid under Section 19 of the Copyright Act, including for alleged contravention of the statutory obligation in sub-section (4) thereof. According to learned counsel, the agreement dated 12.05.2022 does not qualify as an assignment agreement under Section 19 of the Copyright Act. This contention is advanced by referring to Clauses 5 and 6 of such agreement. Clause 5 provides that the assignors agree to initiate legal proceedings against M/s A.G. Film Pvt. Ltd and Base Industries Group, Mumbai, and obtain orders confirming that the sequel of the film titled HERA PHERI was made without the consent of the assignor. Clause 6 records that the total consideration for assigning remake rights of the film MANNAR MATHAI SPEAKING is Rs.45 lakhs and that only a token payment of Rs.3 lakhs was made and that payment of the remainder is subject to the assignors fully complying and satisfying the requirements of Clauses 5 and 10. Because of the conditions imposed in Clause 6, learned counsel for the applicant contended that it does not qualify as an assignment in terms of Section 19 of the Copyright Act.

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13. In an application for rejection of plaint, the Court examines whether the plaint discloses a cause of action based on statements made therein, and not whether the plaintiff would succeed on the cause of action. Therefore, it is both inappropriate and unnecessary to record findings as to whether agreement dated 12.05.2022 constitutes a valid assignment agreement in terms of Section 19 of the Copyright Act. Any such conclusion would have to await adjudication either in course of final disposal or in course of a decision in an appropriate application, wherein the scope is wide enough for making such determination. Section 55 of the Copyright Act enables the owner of the copyright to seek remedies relating to infringement. Such right enures to the benefit of an assignee. Keeping in view the assertions in paragraph No.5 of the plaint that Seven Arts International Limited is the assignee, the objections relating to Sections 19 and 55 of the Copyright Act relate to the sustainability of the plaintiff's claims as an assignee, and are not tenable in an application to reject the plaint.

14. After pointing out that one of the principals in power of attorney dated 12.05.2022 had passed away, it was contended by learned counsel for the applicant that the contract of agency stands revoked as a consequence thereof. If a contract of agency is coupled with interest, the death of the principal would not result in the contract of agency being revoked *ipso facto* under Section 201 of the Indian Contract Act. This is

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evident from illustration (a) to Section 202. Section 202 and illustration (a) are set out below:

> *202.**Termination of agency, where agent has an interest in subject-matter**:- Where the agent has himself an interest in the property which forms the subject-matter of the agency, the agency cannot, in the absence of express contract, be terminated to the prejudice of such interest.*
>
> *Illustration (a) A gives authority to B to sell A's land, and to pay himself, out of the proceeds, the debts due to him from A. A cannot revoke this authority, nor can it be terminated by his insanity or death.*

In the case at hand, the agreement dated 12.05.2022 and the power of attorney of even date should be examined conjointly in course of final disposal or while dealing with an appropriate application to decide whether it is a power coupled with interest.

15. Another question is also relevant in this connection, viz., implications of the death of one of the principals in a contract of agency executed by more than one person. On this issue, learned counsel for the applicant contended that such contract of agency would stand revoked even on the death of one of the several principals if the rights of the

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principals are held jointly. A Division Bench of this Court in *K.A.Meeran Mohideen vs. Sheik Amjad and Ors., (2024 (5) CTC 613)*, held that the death of one of several principals does not necessarily bring the contract of agency to an end. In any event, no definitive conclusion may be recorded in this regard for purposes of deciding this application and this issue should also be seen in the context of the assignors' obligation to sue being *prima facie* in the nature of carriage of proceedings.

16. Therefore, none of the grounds canvassed by learned counsel for the applicant constitute valid reasons to reject the plaint. As discussed earlier, most of the grounds deal with the alleged weakness of claims made by the plaintiff on the basis of agreement dated 12.05.2022 and power of attorney of even date. A meaningful reading of the plaint does not mean determining sustainability in an application to reject the plaint. In effect, the applicant has conflated the requirements of the plaint disclosing a cause of action with establishing elements of such cause of action so as to succeed in the suit claim.

17. Therefore, the application to reject the plaint is dismissed without any order as to costs.

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SENTHILKUMAR RAMAMOORTHY, J.

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