

# Legality of Contracts Giving Away "All Rights"

**Issue: When they are presented with contracts stating that they have no further rights to their songs after one-time payment. Are such contracts enforceable? What options do they have?**

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## 1. Assigning / Transferring copyright - basic concept

- Under Indian law, copyright assignment is the legal mechanism by which a copyright owner (assignor) transfers some or all of their rights to another (assignee). This is governed by Section 18, 19, and related provisions of the Copyright Act, 1957. ([indialawoffices.com](http://indialawoffices.com))
- For an assignment to be valid:
  - It must be in writing and signed by the assignor (or authorised agent). ([indialawoffices.com](http://indialawoffices.com))
  - The work and rights assigned, territorial extent, duration, and any royalties to be paid must be specified. ([indialawoffices.com](http://indialawoffices.com))
  - If term or territory is not specified, the law provides default rules: term = 5 years, territory = India. ([indialawoffices.com](http://indialawoffices.com)).
- An assignment can be full (all rights) or partial (certain rights). The assignor may retain some rights (e.g. moral rights, future rights, rights in other media).
- Authors also have moral rights under Section 57, which survive even after assignment, unless specifically waived. (Kautilya Society, RMLNLU)

## 2. Are "all-rights forever" contracts enforceable?

- Legally yes — partly, but subject to conditions and possible challenge:

- If the contract is properly drafted (writing, signature, specification of rights, term, territory), courts will generally enforce it.
  - However, if the contract is grossly unfair, unconscionable, or obtained by coercion, misrepresentation, undue influence, there may be grounds to challenge it (in contract law).
  - Also, as per Sections 19(5) & 19(6): if term or territorial extent is not specified, the assignment is deemed limited (5 years, India) — so a purported "forever, worldwide" grant might not automatically hold if those terms are absent. (ACC Docket).
  - In practice, weaker parties (like individual artists) may face pressure to sign unfair agreements; courts may sometimes find unconscionability or inequitable terms, but such challenges are difficult and require legal proceedings.
- Example: In the "Pine Labs vs Gemalto" case, the Delhi High Court held that assignment documents that did not specify duration or territory would be deemed limited to 5 years and India, not perpetual, worldwide. (Wikipedia)
  - Also, Section 19A of the Copyright Act allows for revocation of assignment in certain circumstances, e.g. if the assignee fails to "exercise" the rights or comply with their terms. ([indialawoffices.com](http://indialawoffices.com))

### **3. Red flags to look for in contracts**

Some clauses that may unfairly prejudice the artist:

- "All rights forever, worldwide" with no defined duration or territory.
- "No future claims ever" / waiver of moral rights / no credit.
- "No royalty, only one-time lump payment, no sharing of downstream revenue."
- "Exclusive rights in all media (now known or unknown) in perpetuity."
- "Artist must waive or assign all derivative rights, adaptation rights, merchandising rights, sync rights, etc."
- "No audit rights, no transparency in accounts or usage statement."
- "No reversion clause" (i.e. rights never revert to artist).
- "No termination rights" or "no recourse."
- "Artist indemnifies producer / licensee from all claims."
- "Grossly low consideration / unfair pricing."

#### 4. What to do if pressured to sign such a contract

- Seek advice (legal counsel or trusted mentors) before signing.
- Negotiate: try to limit the rights you give, or insist on royalties, term/territory, audit, credit, reversion clause.
- Use a standard contract template that protects your interests (see next section).
- Refuse the "take-it-or-leave-it" clause: insist on carve-outs or modifications.
- Annotate (draft) your own version and ask the other party to sign that.
- Leave room for termination / reversion in the contract.
- If forced under duress, you may later argue the contract is voidable in court (if duress / undue influence / misrepresentation can be shown).

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