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Legal Validity of NFT Transactions Involving Cinematographic Films: Copyright Assignment, Licensing and Infringement under the Indian Copyright Act, 1957

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ABSTRACT

Ownership of non-fungible tokens (NFTs) associated with cinematograph films is advertised, whereas Indian copyright law makes any transfer of a right in a film by way of assignment or licence possible only if it complies with the formalities laid down in the Copyright Act, 1957. This paper raises two issues: first, whether an electronic agreement or smart contract can comply with Sections 18, 19, 30 and 30A of the Act; and second, what an NFT buyer acquires. Through a doctrinal approach, it subjects the statutory formalities to scrutiny against the background of Pine Labs v. Gemalto, IPRS v. Eastern India Motion Pictures Association *and the Supreme Court's judgments on electronic contracts and electronic evidence. The methodology is doctrinal: it analyses the text of the Copyright Act, 1957 and the provisions on electronic records and contracts, together with the judicial decisions interpreting them, and derives from them a framework for testing an NFT-based grant. Technical sources are used only to describe how NFTs and wallet signatures work. It offers four criteria for the evaluation of an NFT-based grant: an accessible written record, an effective signature, proof of the grantor's identity and authority, and content that confers identified rights. The writing and signature requirements apply expressly to assignments in Section 19(1), and the writing requirement to licences in Section 30. The Act sets out what an assignment must contain, while the statute supplies defaults for some omissions; however, identity and authority must be established by the party relying on the grant. A signed token transfer in a wallet evidences only possession of the key. The buyer acquires the token itself and the contractual rights conferred by it, but no copyright, since the divided title of the issuer restricts what any buyer can acquire. Infringement depends on the acts restricted under Section 14(d), not on ownership of a token. Two issues remain open: whether a signature on the blockchain constitutes a "signature" under Section 19(1), and whether that requirement also applies under Section 30A.*

Keywords: *NFT, cinematograph film, copyright assignment, licensee, smart contract, signature, Copyright Act, 1957*

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I. Introduction

Since 2021, film studios and filmmakers have issued NFTs relating to their films, clips and posters. The best-known dispute, *Miramax, LLC v. Tarantino*, asked whether a director's reserved rights in his screenplay extended to issuing NFTs of unreleased material, against the studio's claim to the film.[1] The dispute was reportedly settled, but it made clear that what matters is the chain of title and the extent of the conveyance, not the technology.

The problem lies in terminology. NFTs promise ownership, but an NFT is simply an entry on a blockchain ledger that points to digital content held elsewhere.[2] Under the Copyright Act, 1957 (the Act),[3] copyright in a film moves only by assignment, and use without ownership is possible only by licence. The Act speaks to assignments in three registers, which this paper keeps apart: a validity condition (a writing signed by the assignor or a duly authorised agent, Section 19(1)); required content (the work, rights, duration, territory and consideration, Section 19(2)–(3)); and default rules (five years and India only where duration and territory are not stated, Section 19(5)–(6), and lapse of rights not exercised within one year, Section 19(4)). A licence must be in writing by the owner or the owner's duly authorised agent (Section 30), and Section 19 applies to licences with any necessary adaptations and modifications (Section 30A). A smart contract, by contrast, executes between pseudonymous wallets and ordinarily records none of this.

This paper asks whether an NFT transaction can validly transfer or license copyright in a cinematograph film under Indian law. Two questions follow: first, whether an electronic agreement or smart contract can satisfy the formal requirements of Sections 18, 19, 30 and 30A of the Act; and second, whether transferring an NFT confers copyright or only the token and the rights expressly granted, and when dealing in linked material infringes under Section 51. The study is doctrinal: statutory text and decisions are analysed for their ratio and reasoning and applied to stylised NFT scenarios, and United States material is used as comparative support only, since it does not bind an Indian court.[4]

The paper addresses cinematograph films under the Act, read with the Indian Contract Act, 1872 and, for proof, the Bharatiya Sakshya Adhiniyam, 2023 (BSA). Securities, tax, intermediary liability and cross-border enforcement are excluded, and the statutory regime for electronic

[1] Complaint, *Miramax, LLC v. Tarantino*, No. 2:21-cv-08979 (C.D. Cal. Nov. 16, 2021), ECF No. 1.
[2] *See* William Entriken et al., *ERC-721: Non-Fungible Token Standard*, Ethereum Improvement Proposals (Jan. 24, 2018), https://eips.ethereum.org/EIPS/eip-721 (describing each token as uniquely identified by a token ID, with an optional metadata extension).
[3] The Copyright Act, No. 14 of 1957, India Code (1957) [hereinafter Copyright Act].
[4] Terry Hutchinson & Nigel Duncan, *Defining and Describing What We Do: Doctrinal Legal Research*, 17 Deakin L. Rev. 83 (2012), https://doi.org/10.21153/dlr2012vol17no1art70.

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records and signatures is noted only briefly (Part V.C), not analysed; the paper's conclusions on electronic signature are therefore provisional and should be tested against that regime.

II. Scholarship and judicial treatment

This Part reviews the scholarship by theme rather than by author, concentrating on five articles that engage directly with NFTs or smart contracts and law. Two further Indian articles, by Sriram and Valarmathi and by Das, address copyright protection for NFTs in India; Das attends to the copyrightability of smart contracts and metadata and to unauthorised tokenisation, which is consistent with the gap identified below.[5]

A. Code, contract and legal obligation

Werbach and Cornell offer the most useful conceptual separation. They argue that smart contracts do not displace contract law, because code can automate anticipated performance but cannot resolve mistake, deception, changed circumstances or failed performance, which law remedies.[6] The strength of the argument is analytical clarity: a token transfer is an event, and whether it is also a legal transaction depends on rules outside the code. Its limit is its object. The analysis concerns commercial contracting under United States doctrine, where parties are generally identifiable and formal requirements are light. It does not test a smart contract against a statutory formality attached to the grant of a particular property right. In Indian copyright law the statute itself defines the transaction, through a writing, a signature and prescribed particulars (Sections 19(1)–(3) and 30), so the question is not only whether remedies survive code but whether the code-driven act is the statutory act at all. This paper presses that point.

B. What the buyer owns

Fairfield and Frye answer this question in opposite registers. Fairfield argues that NFTs are best understood as unique digital property, so that the buyer owns the token as a thing and the law should protect that ownership rather than treat the sale as a mere licence.[7] Frye argues that market "ownership" is "pwnership", consisting of clout rather than control, because NFTs typically convey no copyright, and he suggests that NFT markets may reduce the need for copyright.[8] The two agree on the point that matters here: neither claims that token ownership

[5] Amith Sriram K.S. & Valarmathi R., *Offering Copyright Protection for Non-Fungible Tokens in India: Legal Frameworks and Strategies*, 28 J. World Intell. Prop. 830 (2025), https://doi.org/10.1111/jwip.12356; Debdeep Das, *Tokenized Art: The Implications of Copyright Law on NFTs*, 30 J. Intell. Prop. Rts. 518 (2025), https://doi.org/10.56042/jipr.v30i5.6495.

[6] Kevin Werbach & Nicolas Cornell, *Contracts Ex Machina*, 67 Duke L.J. 313 (2017).

[7] Joshua A.T. Fairfield, *Tokenized: The Law of Non-Fungible Tokens and Unique Digital Property*, 97 Ind. L.J. 1261 (2022).

[8] Brian L. Frye, *After Copyright: Pwning NFTs in a Clout Economy*, 45 Colum. J.L. & Arts 341 (2022).

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carries copyright. They differ on its meaning, Fairfield treating the token as a legally protected interest and Frye as a social fact.

Each is limited for present purposes. Fairfield's thesis concerns the token and says little about how a property interest in a token coexists with a regime that makes assignment of copyright depend on writing and signature. Frye's descriptive claim is persuasive, but his normative claim assumes authors who earn from token sales; it does not engage the film industry's dependence on documented, exclusive and divisible rights to finance production and distribution. This paper therefore takes Fairfield's insight only for the token itself, and Frye's as an account of the expectation gap that pre-sale disclosure should close.

C. Copyright consequences

Guadamuz, writing on United Kingdom and European Union law, distinguishes the token from the acts of copying and communication around it and regards it as unclear whether a token can lawfully transfer copyright.[9] Vijayakumaran, writing on the Indian Act, likewise separates token from work, but treats the unauthorised creation and sale of an NFT of another's work as an infringement and argues that Section 14 does not expressly recognise creation of an NFT as a separate exclusive right, recommending statutory recognition.[10]

Two criticisms follow. First, the apparent disagreement is partly illusory, because the authors analyse different acts: token creation on one side, uploading and communication on the other. Part VI shows that, for films, the question resolves into acts that Section 14(d) already reserves. Second, for films the proposal for a new statutory right is less compelling than for other works, because Section 14(d)(i) already reserves storage in any medium by electronic means and Section 14(d)(iii) reserves communication to the public. Neither author tests Indian formalities or the layered title of a film.

D. Judicial treatment

Indian courts have not decided the formalities question. The nearest decision, *Digital Collectibles v. Galactus Funware*, concerned publicity rights in NFT player cards; the Delhi High Court treated NFT technology as freely available and as a means of proving ownership of cards and recording transactions, and refused an interim injunction. It did not consider Sections 18, 19 or 30.[11]

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[9] Andres Guadamuz, *The Treachery of Images: Non-Fungible Tokens and Copyright*, 16 J. INTELL. PROP. L. & PRAC. 1367 (2021), https://doi.org/10.1093/jiplp/jpab152.

[10] Adarsh Vijayakumaran, *NFTs and Copyright Quandary*, 12 J. INTELL. PROP. INFO. TECH. & ELEC. COM. L. 402 (2021).

[11] *Digital Collectibles Pte Ltd. v. Galactus Funware Tech. Pvt. Ltd.*, CS(COMM) 108/2023, 2023:DHC:2796, ¶¶ 71, 85 (Del. Apr. 26, 2023) (India) (denying interim injunction).

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E. Gaps in the existing scholarship

Read together, the sources establish that code does not displace legal obligation, that token ownership is not copyright ownership, and that buyers' expectations exceed their rights. Three gaps remain. The foreign scholarship does not engage Indian statutory formalities. The Indian scholarship located does not analyse Section 19's validity condition, content and defaults, or the layered title of a film. And no source tests these questions against the case law on assignment, contract formation and electronic proof. This paper contributes by testing an NFT grant against Indian formalities layer by layer and by drawing out what the decided cases imply for it.

III. Film copyright and chain of title

The producer is the author of a cinematograph film, and copyright subsists in it under Sections 2(d)(v) and 13(1)(b). Section 14(d) reserves to the owner the rights to make a copy of the film, including a photograph of any image forming part of it and storage of it in any medium by electronic or other means; to sell or give on commercial rental, or offer for sale or for such rental, any copy of the film; and to communicate the film to the public. Where a film is made for valuable consideration at another's instance, that person is first owner absent an agreement to the contrary (Section 17(b)). Who may grant film rights therefore depends on contract and commissioning, not on possession of the film. The statutory "producer" is the person who takes the initiative and responsibility for making the film (Section 2(uu)), and a "cinematograph film" includes its accompanying sound recording (Section 2(f)).

The film right does not carry what the film incorporates, and the decided cases show how unstable that boundary is. In *IPRS v. Eastern India Motion Pictures Association*, a society of composers and lyricists claimed performing rights in songs in films screened in cinemas. The Supreme Court held that where a producer commissions a composer or lyricist for valuable consideration to create music or lyrics for a film, the producer is first owner of the copyright in them under provisos (b) and (c) to Section 17, absent a contract to the contrary, so the composers could not restrain exhibition.[12] The rationale makes first ownership depend on the context of production rather than on the existence of the film. This has two implications for NFT ownership. First, ownership of the music has to be established through the contract under which the music was made. Second, the rule has since been modified. Section 13(4) already preserved the separate copyright in works incorporated in a film, but *IPRS* held that the composer's right could be defeated under Section 17; the 2012 amendments added a proviso to Section 17 under

[12] *Indian Performing Right Soc'y Ltd. v. E. India Motion Pictures Ass'n*, (1977) 2 SCC 820 (India).

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which, for a work incorporated in a cinematograph film, clauses (b) and (c) do not affect the right of its author, together with provisos to Section 18 securing the authors' share of royalties.[13] How far the amendments apply to earlier films and agreements is debatable. Anyone minting clips that carry music must therefore establish ownership of the music from its date and the governing agreement, and not presume that the producer owns it.

Moral rights and performers' rights add further complexity. Section 57 preserves the author's right to claim authorship and to restrain, or claim damages for, any distortion, mutilation or modification of the work prejudicial to his or her honour or reputation, even after the copyright has been assigned, as *Amar Nath Sehgal v. Union of India* illustrates.[14] Under Section 38A(2), once a performer has consented in writing to the incorporation of his or her performance in a film, the performer may not, absent a contract to the contrary, object to the producer's enjoyment of the performer's right in that film, although the proviso preserves the performer's entitlement to royalties where the performance is made for commercial use.

This combination is captured by the maxim *nemo dat quod non habet*. For ownership of copyright in a cinematographic work, the Berne Convention points to the law of the country where protection is claimed, which for Indian rights is the Indian Act.[15] Finally, the medium matters. Under the second proviso to Section 18(1), an assignment does not extend to a medium or mode of exploitation that did not exist or was not in commercial use when the assignment was made, unless the assignment specifically refers to it. General wording such as "all media now known or hereafter devised" may therefore not reach NFT minting. The proviso governs assignments; Section 30A imports Section 19, but not Section 18, into licences, so whether an older licence reaches NFT minting depends on its own terms.

IV. Assignment and Licensing

A. Section 18 and the structure of Section 19

Section 18 permits the owner of an existing work, or the prospective owner of a future work, to assign copyright wholly or partially, generally or subject to limitations, for the whole term or part of it; an assignment of a future work takes effect only when the work comes into existence. Section 19 then regulates how that power is exercised. Section 19(1) is the validity condition. Sections 19(2) and 19(3) direct the assignment to identify the work and to specify the rights,

[13] The Copyright (Amendment) Act, No. 27 of 2012, India Code (2012), §§ 7–9 [hereinafter 2012 Amendment] (inserting a proviso to Section 17, further provisos to Section 18 and Section 19(8)–(10)).
[14] *Amar Nath Sehgal v. Union of India*, 2005 (30) PTC 253 (Del.) (India).
[15] Berne Convention for the Protection of Literary and Artistic Works art. 14*bis*(2)(a), Sept. 9, 1886, as revised at Paris July 24, 1971, 828 U.N.T.S. 221.

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duration, territory, royalty and other consideration, but do not expressly declare an assignment void if particulars are omitted.

B. Case analysis: *Pine Labs v. Gemalto*

Pine Labs Pvt. Ltd. v. Gemalto Terminals India Pvt. Ltd., a software dispute, is the leading Indian decision on these defaults. Pine Labs developed software for Gemalto under a master agreement whose clause 7.1 provided that Pine Labs, "as beneficial owner", assigned to Gemalto the copyright in the project materials, but which stated no duration or territorial extent. Pine Labs claimed that, by virtue of Sections 19(5) and 19(6), the assignment had lapsed after five years and was confined to India. The Single Judge vacated an interim injunction in Pine Labs' favour, treating the master agreement, prima facie, as no more than an agreement to assign that created an equitable title in Gemalto. A Division Bench allowed the appeal and restored the injunction. Reading clause 7.1 as an assignment *in praesenti*, it held that, because neither the agreement nor any assignment deed stated a duration or territorial extent, Sections 19(5) and 19(6) were attracted, and that "whatever be the nature of the MSA" those provisions "would inevitably be triggered".[16]

Three aspects of the reasoning are particularly important. First, the Court read the clause by its plain words: an assignment embedded in a commercial services agreement is an assignment within Section 19. Second, the Court treated Sections 19(5) and 19(6) as operating by force of statute, filling the gaps left by the instrument's silence. Third, this approach, which applies the defaults whatever the parties intended, is strongest under Section 19(5), which speaks of a period "not stated" and makes no exception for what the parties intended; the reading should therefore be treated as the prevailing view in Delhi, though, having been given at the interim stage, not as the final word. The Court did not decide whether non-compliance with Section 19(3) is independently fatal, and it dealt with a signed commercial contract, not with electronic execution.

C. Lapse, revocation and the exercise question

Section 19(4) is distinct from Sections 19(5) and 19(6) because it deals with non-use rather than silence: unless the assignment provides otherwise, rights not exercised within one year of the assignment are deemed to have lapsed. An assignment expressly for ten years may therefore lose unexercised rights after one. For NFTs two questions are unresolved: what counts as exercise where a buyer holds limited display rights, and whether the buyer or the issuing project

[16] *Pine Labs Pvt. Ltd. v. Gemalto Terminals India Pvt. Ltd.*, FAO(OS) Nos. 635 & 636 of 2009, ¶¶ 28, 31–35, 45 (Del. Aug. 3, 2011) (India) (Div. Bench), *rev'g* CS(OS) No. 1876 of 2009 (Del. Dec. 8, 2009) (India).

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is the assignee whose exercise is measured. Section 19A permits revocation of an assignment in specified circumstances, although no order of revocation under Section 19A(2) may be made within five years of the assignment. Section 30A, which before 2012 extended Sections 19 and 19A to licences, now applies Section 19 alone.[17] Rights linked to a token may thus lapse, or under an assignment be revoked, while the token continues to be traded.

D. Licences: Sections 30 and 30A

Section 30 permits a licence "in writing by him or by his duly authorised agent". Before 2012 the writing had to be signed; the 2012 Amendment deleted that word.[18] Two readings of Section 30A are available. On the first, Section 30A imports Section 19(1), signature included. On the second, the deliberate deletion shows that Parliament relaxed the form for licences, and "necessary adaptations" should not restore it, because Section 30 is the specific provision on the form of a licence and a specific provision ordinarily prevails over a general one. The second reading has the stronger textual and legislative-history support, but it does not exclude the possibility that Section 30A was meant to extend the protective incidents of Section 19 wholesale. No Indian authority located resolves the point. Under either reading the writing must proceed from the owner or an authorised agent, so identity and authority remain essential. Since most NFT projects frame buyers' rights as licences, a prudent drafter should assume that a signature will be required.

Classification turns on substance, not form. An agreement that fails Section 19(1) may be invalid as an assignment, but whether it survives as a licence depends on its terms and on Section 30. Whether Indian law recognises an implied licence arising from online conduct is uncertain; United States law, by contrast, requires a signed writing for a transfer of copyright ownership but not for a non-exclusive licence.[19]

V. Validity of Electronic NFT Agreements

A. Four questions

This Part addresses the first question. Two things may be asked of any arrangement: whether it is in reality a valid grant, and whether it can be proved. An arrangement may be valid but difficult to prove, or provable but not a valid assignment. The framework therefore raises four separate questions, each requiring its own answer, and they differ in legal nature: some are

[17] 2012 Amendment, *supra* note 13, § 15 (substituting "section 19" for "section 19 and 19A" in Section 30A).
[18] 2012 Amendment, *supra* note 13, § 14 (substituting "writing by him" for "writing signed by him" in Section 30).
[19] *See* 17 U.S.C. § 204(a) (requiring a signed writing for a transfer of copyright ownership); 17 U.S.C. § 101 (excluding non-exclusive licenses from the definition of "transfer of copyright ownership").

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express statutory requirements, some concern content supplied by default, and some are matters of proof.

Writing and signature are express prerequisites for an assignment (Section 19(1)). Writing is required for a licence by Section 30, while whether Section 30A imports a signature requirement is uncertain. Identity, authority and capacity are not separate statutory tests, but they follow from the requirement that execution be by the owner or a duly authorised agent, and capacity is governed by Sections 10 and 11 of the Indian Contract Act, 1872; the grantor must therefore establish all three. Content (Sections 18, 19(2)–(3) and 30A) is prescribed by the statute, but deficiencies are made good by the statutory defaults, which do not void the assignment. A wallet-signed token transfer ordinarily proves no more than the ledger entry, control of the private key, and the token identifier and owner address.

B. Layer 1: writing

Neither the Copyright Act nor the Contract Act limits "writing" to paper, and the Supreme Court has accepted that a concluded contract may arise from an exchange of e-mails (Part V.F). An electronic record can therefore, in principle, be the writing that Sections 19(1) and 30 require. The better test is functional: the record must be a durable and retrievable statement of the terms agreed, because the statute demands an instrument that evidences the grant.

That functional test bites on NFTs because licence documents and metadata are commonly stored off-chain, where they may be changed, moved or deleted. A licence linked to a mutable address, or to a file no longer hosted, invites the objection that the record cannot be consulted later in the form agreed, so the instrument said to contain the grant may not be the one the ledger preserves.

C. Layer 2: signature

The Copyright Act does not define "signed". The General Clauses Act extends "sign" to a mark in the case of a person unable to write his name, but otherwise leaves the word undefined,[20] and no Indian decision located decides whether a cryptographic wallet signature is a signature for Section 19(1). Two arguments are open. On the narrower view, "signed" connotes authentication attributable to an identifiable person, so a wallet signature would suffice only if some recognised method of electronic authentication applies, a question this paper does not examine (Part I). On the broader view, "signed" keeps its ordinary meaning of an act intended to authenticate, and a wallet signature evidencing intent could suffice, since a cryptographic signature authenticates a message more reliably than many handwritten ones. The difficulty with the broader view is that

[20] The General Clauses Act, No. 10 of 1897, INDIA CODE (1897), § 3(56).

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a signature requirement also serves to attribute the document to a person, and a wallet signature attributes it only to a key (Part V.D). Neither view is established by authority, so the paper does not decide between them. Its narrower claim is that a wallet-signed transfer cannot be assumed to satisfy Section 19(1), and that a method Indian law expressly treats as equivalent to a handwritten signature removes the doubt.

A brief note on the Information Technology Act, 2000 (IT Act) is enough here, since a full analysis is outside this paper's scope.[21] Section 4 treats a legal requirement of writing as met by an electronic record accessible for later reference, Section 5 treats a requirement of signature as met by an electronic signature affixed in the prescribed manner, and Section 10A provides that a contract is not unenforceable merely because it was formed electronically. These provisions suggest that an electronic record can in principle meet Sections 19(1) and 30, but they do not show that every wallet signature is a recognised electronic signature, and electronic validity does not displace the Copyright Act's other requirements. Aadhaar-based e-signatures and certified digital signatures are the methods the IT Act's scheme expressly addresses, which is why Part VIII treats them as the more cautious course.

A United States decision supports the general principle but not the Indian one. In *Metropolitan Regional Information Systems v. American Home Realty Network*, the Fourth Circuit held that an electronic agreement may effect a valid transfer of copyright under Section 204 of the United States Copyright Act, where subscribers had clicked to accept terms of use assigning to the database operator the copyright in photographs they uploaded, relying on the federal electronic signatures statute.[22] The case did not involve a pseudonymous wallet, and it rests on a federal statute whose conditions differ from those of Indian law.

D. Layer 3: control of a key is not identity or authority

This is the paper's central argument. A wallet signature shows that the signer holds the corresponding private key; it does not show who holds the key, whether that person holds the copyright, or whether he or she has authority to grant it. Section 19(1) requires execution by the assignor or a duly authorised agent, and both elements matter. As to identity, a blockchain records pseudonymous addresses; keys may be shared, stolen, held by a custodian or operated jointly, and immutability means that the record has not been altered, not that it is true. As to authority, the deploying address proves nothing about whether its operator acts for the owner, and a company's wallet says nothing about which person was authorised. As to capacity, a

[21] The Information Technology Act, No. 21 of 2000, INDIA CODE (2000), §§ 3, 3A, 4, 5, 10A [hereinafter IT Act].
[22] *Metro. Reg'l Info. Sys., Inc. v. Am. Home Realty Network, Inc.*, 722 F.3d 591 (4th Cir. 2013); 15 U.S.C. § 7001.

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contract with a minor is void, a rule established by the Privy Council in *Mohori Bibee v. Dharmodas Ghose*, and pseudonymity makes age verification difficult.[23]

Ordinary rules of proof do not close the gap. A party relying on an instrument must show who executed it, and a pseudonymous address is not an identifiable executant. Structured typed-data signing improves the evidence, because a signature over a message reproducing the licence terms binds the wallet to a fixed version of them, yet it still shows only that the key-holder approved the message.[24] The solution is therefore not a more secure wallet but an off-chain, legally recognised link between a verified person, that person's authority and the wallet.

E. Layer 4: content and silence

A token transfer records an owner address and a token identifier; it does not identify the film or any right in it, nor state term, territory or consideration. An electronic arrangement can be an assignment or licence only if some element, in code, metadata or terms, grants rights in the film. Where it is silent, *Pine Labs* supplies the consequence for an assignment: five years, India only, and partial lapse for non-exercise, none of which voids the instrument. Recasting the grant as a licence may not avoid this, because Section 30A applies Section 19 to licences with necessary adaptations, although how far the defaults carry over is itself open.

F. Case analysis: contract formation and proof

A valid electronic grant must also be a contract. In *Trimex International FZE v. Vedanta Aluminium*, the Supreme Court held that a concluded contract could arise from an exchange of e-mails, and in *Bhagwandas Kedia v. Girdharilal Parshottamdas* it located the formation of a contract made by instantaneous communication where the acceptance is received.[25] Both involved identifiable commercial parties exchanging messages, so they establish that electronic means do not defeat formation, but not how formation is assessed for pseudonymous, automated sales. A listing is generally an invitation to offer, the purchase is the offer and the contract's execution is the acceptance, which fixes the terms then applicable.

On proof, the Supreme Court in *Anvar P.V. v. P.K. Basheer* held that secondary electronic evidence is admissible only with the certificate required by Section 65B(4) of the Indian Evidence Act, 1872, and in *Arjun Panditrao Khotkar* held the certificate a condition precedent, overruling the more relaxed *Shafhi Mohammad*, while recognising that a party who cannot

[23] *Mohori Bibee v. Dharmodas Ghose*, (1903) 30 Ind. App. 114 (P.C.) (India); The Indian Contract Act, No. 9 of 1872, INDIA CODE (1872), §§ 10, 11 [hereinafter Contract Act].
[24] *See* Remco Bloemen, Leonid Logvinov & Jacob Evans, *EIP-712: Typed Structured Data Hashing and Signing*, ETHEREUM IMPROVEMENT PROPOSALS (Sept. 12, 2017), https://eips.ethereum.org/EIPS/eip-712.
[25] *Trimex Int'l FZE Ltd. v. Vedanta Aluminium Ltd.*, (2010) 3 SCC 1 (India); *Bhagwandas Goverdhandas Kedia v. Girdharilal Parshottamdas & Co.*, AIR 1966 SC 543 (India).

obtain a certificate from the person controlling the device may apply to the court for its production.[26] Sections 61 and 63 of the BSA, in force from 1 July 2024, continue this regime: Section 61 provides that an electronic record is not denied admissibility merely because it is electronic, but Section 63(4) requires a certificate in the prescribed form, including a hash value and a part completed by an expert.[27] The Court's approach suits a ledger poorly in two respects. No single operator controls the device, so the party must certify a process it does not run, although *Arjun Panditrao*'s allowance for court directions offers a route. And off-chain terms may be edited after sale, so the party must prove what they said at the time of purchase.

G. Application: a worked example

Suppose a producer mints 1,000 NFTs of a ninety-second clip from a 2019 film. The mint is signed from the producer's wallet; the metadata links to a webpage promising holders "full commercial rights" but stating no term or territory; and the soundtrack music was composed under a 2018 commissioning contract mentioned nowhere. On writing, the webpage is an electronic record, but whether it satisfies the functional test turns on whether the version seen at sale was preserved, and a later edit would make the grant hard to prove. On signature, the wallet transaction authenticates a token transfer but, on the narrower reading, is not a signature recognised for Section 19(1); any assignment would then fail Section 19(1) and could survive, if at all, only as a licence whose form is governed by Sections 30 and 30A. On authority, the wallet is the producer's only by assertion; if the film was commissioned, the commissioner may be first owner under Section 17(b), and if a company holds the rights, the signatory's authority is unproven. On content, if the grant is an assignment, *Pine Labs* reads it as five years and India only, with lapse after one year of non-exercise; and music rights are not covered, because the composer's contract and the 2012 provisos govern them (*IPRS*), so a buyer exploiting the soundtrack commercially risks infringement under Section 51 even if the grant is otherwise valid. If the terms constitute a valid licence, the buyer may hold a limited contractual right to the clip, and whether the five-year and India-only defaults apply depends on how the transaction is classified and on Section 30A. Every one of these problems could be cured at issuance, not on the ledger.

[26] *Anvar P.V. v. P.K. Basheer*, (2014) 10 SCC 473 (India); *Arjun Panditrao Khotkar v. Kailash Kushanrao Gorantyal*, (2020) 7 SCC 1, ¶ 45 (India) (overruling *Shafhi Mohammad v. State of Himachal Pradesh*, (2018) 2 SCC 801 (India)).

[27] The Bharatiya Sakshya Adhiniyam, No. 47 of 2023, INDIA CODE (2023), §§ 61, 63(4), sched. (prescribed certificate, pts. A–B); *cf.* The Indian Evidence Act, No. 1 of 1872, INDIA CODE (1872), § 65B (repealed effective July 1, 2024).

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H. Answer to the first question

Nothing in the Copyright Act precludes an NFT-linked electronic agreement from operating as an assignment or licence. A particular grant must be assessed against four distinct questions. Whether there is a durable and accessible writing, and whether it is signed by a recognised method, are express prerequisites of an assignment under Section 19(1); a writing is a condition of a licence under Section 30, while whether Section 30A adds a signature requirement remains open. Whether the person who executed the grant is the owner, or an agent with authority to make it, is something the statute presupposes and the party relying on the grant must prove. Content is governed by Section 19(2)–(3), but a failure to specify it brings the defaults into play rather than nullifying the assignment.

VI. NFT PURCHASER RIGHTS AND INFRINGEMENT

A. Token ownership and copyright

This Part answers the second question. Owning a token is owning a ledger entry and the ability to transfer it, not owning the film or any right in it. Indian law reaches this result through the scheme of the Act: copyright passes only by an assignment satisfying Sections 18 and 19, and nothing treats acquiring a token or a copy as an assignment. The only Indian judicial treatment located is consistent. In *Digital Collectibles*, the Delhi High Court treated NFT technology as a freely available means of proving ownership of cards and recording transactions, and held that the plaintiffs could claim no exclusive right over its use.[28] Whether the token is itself property, as Fairfield argues for United States law, is unsettled and need not be decided, because the answer does not change what the token conveys about the film.[29]

The buyer therefore acquires the token and the rights its terms grant, generally limited display rights or associated benefits, which are contractual and may operate as licences under Sections 30 and 30A with the defaults described above. Three transactions should be kept apart: the sale of a copy does not itself transfer copyright; the resale of a token transfers only the rights attached under the terms; and the transfer of a licence depends on whether the licence permits assignment or sublicensing. A resale transfers no more than the reseller holds. In every case the issuer must hold the authority to grant what it advertises.

Defective title is the principal risk. Because film copyright does not carry the separate copyright in script, music or lyrics (Part III), an author who has not assigned retains rights that an NFT sale cannot extinguish, and moral rights remain. No provision located protects a good-faith

[28] *Digital Collectibles*, *supra* note 11, ¶ 71.
[29] *See* Fairfield, *supra* note 7.

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purchaser of a copyright interest in the way the Sale of Goods Act, 1930 protects some purchasers of goods, so a defect in the chain generally defeats the buyer's claim.[30] Title diligence is the issuer's duty and the purchaser's risk.

B. Infringement under Section 51

Section 51(a)(i) makes it an infringement to do, without a licence from the owner, anything the exclusive right to do which belongs to the owner. For a film these acts are listed in Section 14(d), and the NFT scenarios separate accordingly.

- Minting clips or storing the film to link it to a token. Taking a still, cutting a clip or storing the film on a server or distributed system makes a copy or stores it electronically under Section 14(d)(i). Without a licence this may infringe, whoever later buys the token. Whether a clip is a substantial part is a question of fact and degree.
- Resale of the token itself. A token is a ledger entry, so its sale does not, without more, involve a copy of the film and is not infringement on that basis alone, though it may be if bundled with, or the vehicle for, an unauthorised copy.
- Token-gated streaming or screening. The question is who communicates the film to the public (Sections 2(ff) and 14(d)(iii)) and under what authority. A gate run by the rights-holder under its own licence is not infringing; one run by an unauthorised third party may be.

This framework reconciles the scholarship. Guadamuz's view that minting may not itself infringe although communication to the public may, and Vijayakumaran's view that unauthorised uploading infringes, are consistent: a token holding only an identifier and a pointer does not copy the film, and the infringing acts are the copy made or stored for the token to point to and any making available that follows.[31] Section 51(b) adds secondary infringement for dealing in infringing copies, and the Section 52 exceptions are tied to purposes such as private use, criticism and reporting that will not ordinarily cover commercial minting.

VII. FINDINGS

- Electronic grants are not barred. Nothing in the Copyright Act, 1957 prevents an NFT-linked electronic agreement from operating as an assignment or licence of film copyright, but it must satisfy four questions: an accessible written record, an effective

[30] The Sale of Goods Act, No. 3 of 1930, INDIA CODE (1930), § 27 (stating the *nemo dat* rule and its exceptions for goods).
[31] *Compare* Guadamuz, *supra* note 9, *with* Vijayakumaran, *supra* note 10.

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signature, proof of the grantor's identity and authority, and content granting identified rights.

- A wallet signature signifies very little. It denotes possession of a private key without revealing who holds it, whether that person owns the copyright, or whether he or she may grant it. Whether a blockchain signature satisfies Section 19(1) has yet to be decided, as has whether Section 30A extends the signature requirement to licences.
- Silence is filled against the buyer. On the reading in *Pine Labs v. Gemalto*, an assignment that states no period or territory is deemed to run for five years and to extend only within India, and under Section 19(4) rights not exercised within one year lapse.
- Buyers get tokens, not copyright. Purchasers acquire the token and the contractual rights its terms confer. Resale transfers only what the reseller holds.
- Title is layered. Music, scripts, performers' consents and moral rights (*IPRS*, the 2012 amendments, Section 57) cap what an issuer can convey.
- Infringement turns on Section 14(d) acts, such as copying, storing and communicating to the public, not on holding or reselling a token.
- Safeguards proposed: verified e-signatures with proof of authority, hash-linked rights schedules, and chain-of-title disclosure.

VIII. CRITICAL DISCUSSION AND SUGGESTIONS

The analysis establishes three gaps, each supporting one recommendation. The recommendations are limited to what the analysis establishes and allocate each duty to the party best placed to bear it.

Gap 1: no recognised link between a wallet and the grantor's identity and authority (Part V.D). Suggestion 1: as a risk-reduction measure, not a settled legal requirement, and without deciding the legal effect of these methods (Part I), issuers of rights-bearing film NFTs may reduce the doubt by executing the grant with a method commonly treated as equivalent to a handwritten signature, such as an Aadhaar-based e-signature or a certified digital signature; attaching proof of authority, such as a board resolution; binding the signed instrument to the token and issuing wallet by an on-chain hash; and preserving a retrievable copy off-chain. The responsibility falls on the issuer, who controls the rights, and marketplaces may adopt verification as a listing standard for high-value or disputed listings. Legislative clarification of blockchain-native signatures is warranted only if the courts leave the point open.

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Gap 2: silent grants that the statutory defaults fill against the buyer (Parts IV.B and V.E). Suggestion 2: issuers should adopt a standard rights schedule, hash-linked to the token and displayed before purchase, stating the rights granted, whether the grant is an assignment or a licence, duration, territory, exercise obligations, consideration, governing law and forum. Express drafting displaces every default rule. The appropriate ministry or the Copyright Office could usefully issue guidance on what amounts to exercise of a right under Section 19(4) and on whether Section 30A requires a signature.

Gap 3: no duty to disclose what is being sold or whether the seller holds title (Part VI.A). Suggestion 3: sellers should disclose the extent of the rights granted and of the underlying rights, with a chain-of-title statement covering the film, scripts, music and performers' consents, and marketplaces should make that statement visible during the sale and act on credible complaints about title. This can be done through marketplace rules and, if needed, regulation of trader conduct under consumer protection law, although the application of that law to NFTs is unsettled.[32]

A fourth option, amending Sections 19 and 30 to treat blockchain entries as valid assignments, should not be pursued on present findings. The problem the analysis identifies is not that the Act prohibits electronic grants but that the ledger fails to show who made which grant. Targeted guidance on the two interpretive issues is the right place to start, and legislation is justified only if the law proves not flexible enough to accommodate the verification of electronic grants.

None of the suggested measures will cure a bad title or enforce contracts against unknown foreign parties; their goal is narrower, namely to ensure that before a sale one can identify who granted what, with what right and for how long, which is at least implicit in the Indian formalities and absent from the ledger.

IX. Conclusion

No provision of the Copyright Act prohibits the electronic assignment or licensing of film copyright, but an NFT transaction must answer four questions: whether there is an accessible written record, an effective signature, evidence that the grantor is the owner or an authorised agent, and content that grants identified rights. Writing and signature are express requirements for an assignment under Section 19(1); for a licence, writing is an express requirement under Section 30, and whether Section 30A separately imports a signature requirement remains unanswered. The Act prescribes the content of an assignment, but statutory defaults cover some

[32] *Cf.* The Consumer Protection Act, No. 35 of 2019, India Code (2019) (addressing unfair trade practices and misleading representations).

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deficiencies; the identity and authority of the grantor must be established by the party relying on the grant, and a wallet-signed transfer proves only possession of the key, not the rest. Where an assignment is silent, *Pine Labs* reads it as running for five years and confined to India. The buyer receives the token and contractual rights, not copyright; a transfer in the secondary market passes only what the seller holds; the fragmented title of the issuer, illustrated by *IPRS* and the 2012 amendments, limits what can be transferred; and holding or transferring a token is not copyright infringement unless an act reserved by Section 14(d) is done.

Two issues remain open: whether a signature on a blockchain qualifies as a signature under Section 19(1), and whether Section 30A imposes a signature requirement on licences. Until the courts or Parliament speak, the blockchain preserves a record of transactions but cannot itself establish legal identity, copyright ownership or authority to grant rights.

X. FUTURE RESEARCH SCOPE

1. **Intermediary liability of marketplaces.** Section 51(a)(ii), the IT Act's safe-harbour and due-diligence provisions, notice-and-takedown for token-linked content, and whether adopting a title-verification protocol should affect liability.
2. **Empirical study of platform and project terms.** Coding a sample of film-linked NFT projects for term, territory, governing law, exclusivity and revocability, to test the paper's assumptions about typical structures.
3. **Consumer law and NFTs.** Whether an NFT is "goods" or a "service" under the Consumer Protection Act, 2019, and what remedies for misdescription would be proportionate.
4. **Wallet-bound authentication.** Whether a wallet-binding technique could meet Section 3A(2) of the IT Act and be listed in its Second Schedule, and the data-protection implications, under the Digital Personal Data Protection Act, 2023, of linking verified identities to public wallet addresses.
5. **Judicial treatment of Sections 19(4), 30 and 30A.** What counts as "exercise" under Section 19(4), how far Section 30A's "necessary adaptations and modifications" carry Section 19 into licences, and whether Section 30A requires a signature.
6. **Cross-border enforcement and DAOs.** Governing law for ownership and formalities, and enforcement against pseudonymous or foreign defendants and unincorporated organisations.
7. **Related rights and resale share.** Performers' and moral rights in film NFTs, music and lyric rights, and whether Section 53A should be adapted for digital works.

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