

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination April-May, 2023
Semester: UG – X Sem (I.P.R. Hons.)
Subject: I.P. Valuation & Management

Time: Three Hours

Marks: 100

Instructions:

1. Attempt any five out of six questions.
2. All questions carry equal marks.
3. Use of any reference material such as Bare Acts is not permitted.
4. Use of Simple Calculator is permitted.

Q.1) *“IP due diligence is essentially an audit to assess the quantity and the quality of intellectual property assets owned by, or licensed to, a company, business or individual.”*

In light of the above statement, examine the relevance of IP due diligence with the help of case studies while explaining the meaning and stages of due diligence. Also list the circumstances where IP due diligence is required.

(Marks: 20)

Q. 2) a). Explain the legal framework that regulates the valuation of intangibles or intellectual property while addressing concerns such as the valuation methods, standards and registered valuers.

b). Discuss the relevance, suitability and limitations of the cost approach for valuation of intellectual property assets. Highlight the differences between the reproduction and replacement method of applying the approach.

(Marks: 10+10 = 20)

Q.3) Mr. Abhishek intends to get a trademark registered in India so as to establish a business and sell goods including apparel and footwear under the trademark 'ARMANEE'. He approaches you seeking your legal advice on the procedure to get a trademark registered. Rendering your advice on the same, suggest the due diligence measures that have to be taken care of while proceeding with the formalities of registration, during registration process as well as post-grant. Also, guide him as to how to he can better exploit his work once he has a trademark registration.

(Marks: 20)

Q.4) *‘Securitization is the process in which certain types of assets are pooled so that they can be repackaged into interest-bearing securities.’* Examine how the traditional concept of securitization can be applied to intellectual property assets while discussing the legal framework, examples and limitations of the same.

(Marks: 20)

Q.5) Mr. Bharat obtained design protection over his artistic work which comprised of a pattern of shapes in black and purple colour combination. He obtained the design protection intentionally as he wanted to apply the design to articles of manufacture and for more than 50 articles. Upon having obtained the same, he receives an offer from two enterprises for licensing his design to them for being used on wooden furniture such as wardrobes and cabinets. He faces a question as to whether he should grant an exclusive license to "A" Woods Ltd. and restrict his profits to the royalty that he may receive in respect of the same or whether he should grant two non-exclusive licenses to "B" Décor Co.. and "C" Home Ltd. simultaneously. Consider the following alternatives available to him (Mr. Bharat) and prescribe the most reasonable option that may be resorted to while applying Income Approach:

OPTION 1: Mr. Bharat may grant an exclusive license to "A" Woods Ltd. where he assumes the returns to range up to 60 lakhs in the 1st year, 50 lakhs in the 2nd year, 40 lakhs in the 3rd year and 30 Lakhs in the 4th year. The expected rate of royalty per year under the license would be 25%. ($R_m = 15$, $R_f = 8$, $\beta = 1$).

OPTION 2: Mr. Bharat may grant two identical non-exclusive licenses to "B" Décor Co.. and "C" Home Ltd., respectively, wherein he assumes the returns to range up to 80 lakhs in the 1st year (40 lakhs from each licensee), 70 lakhs in the 2nd year (35 Lakhs from each licensee), 60 lakhs in the 3rd year (30 Lakhs from each licensee) and 40 Lakhs in the 4th year (20 Lakhs from each licensee) for both non-exclusive licensees taken together. The expected rate of royalty per year under the licenses would be 20% for both of them. ($R_m = 13$, $R_f = 8$, $\beta = 1$).

Assumptions:

1. The licensees are enterprises engaged in the manufacture of wooden furniture already. Therefore, they do not require any investments to be made with regard to the setting up of industries and obtaining manpower.
2. The license that may be granted shall be a license for a period of 4 years only.

(Marks: 20)

Q.6) Write short notes on *any two* of the following:

- a) Stages in IP Management
- b) Premium Pricing Model
- c) Early neutral evaluation in IP cases
- d) Circumstances where IP Audit is required

(Marks: 10+10=20)