

Staying out of legal trouble

Business Standard, Chandigarh

27march, Page 2

John Players stitches a win-win deal for Reliance Retail, ITC

The menswear brand is expected to help Reliance in widening its fashion and apparels portfolio

ANNA DUTTA
New Delhi, 26 March

The country's largest retail company Reliance Retail (RRL) has executed a definitive agreement with the largest fast-moving consumer goods (FMCG) firm ITC to acquire its menswear brand John Players in a deal that could prove to be beneficial for both the behemoths.

John Players – a mid-segment menswear brand launched in 2002 – is expected to help RRL widen its fashion and apparels portfolio. The sellout could also improve ITC's non-cigarettes FMCG business margins.

While size of the deal is yet to be declared, according to Reliance Industries – the parent firm of RRL – the acquisition will strengthen the retail arm's readymade garments and accessories portfolio in the fashion & life style retail space.

It further said the deal will consolidate RRL's leadership position as

India's largest, most profitable and fastest-growing retailer.

After the deal, RRL will get "ITC's rights, title and interest, in and to the brand 'John Players' and related trade-marks and intellectual property, and the goodwill related thereto," a Reliance spokesperson said.

Industry estimates suggest John Players with sales of over ₹300 crore a year, was acquired by RRL for ₹150-200 crore.

While this may be the first instance in the recent past that ITC has sold a brand or business – unlike in the past few years when the Kolkata-headquartered firm has only acquired – the deal is not without a rationale.

A restructuring of its businesses was due as the firm was looking to rake in profits from its non-cigarettes FMCG business.

"As part of the strategic review of the lifestyle retailing business, a restructuring plan is under way. In line



with this ongoing restructuring, ITC sold the brand 'John Players' and related trade-marks and intellectual property, and the goodwill," an ITC spokesperson said.

Industry sources said, ITC's focus is to grow newer FMCG businesses like food, personal care, and stationaries that it can leverage to grow its institutional strength. The firm has set an ambitious

target of touching ₹1 trillion revenue from non-cigarettes FMCG business by 2030 and expects the segment to drive its revenue in the next decade.

Its non-cigarettes FMCG business – worth over ₹11,000 crore a year – may be one of the largest in the country but the firm has struggled to keep it profitable. According to Edelweiss Securities, the

move reflects "ITC's renewed focus on improving margins of its consumer business." It resembles the firm's action in the premium end of the market that it had taken up a few years ago, it noted.

In fact, measures taken by the FMCG giant on that front in the past few quarters reflected in its earnings before interest, tax, depreciation and amortisation (EBITDA) margin. While in April-June 2018, its EBITDA margin was at 4.5 per cent, in September it rose to 5 per cent and to 5.4 per cent in the October-December period last year.

The business segment was hit by competition in the past three years. Edelweiss Securities estimates that the John Players sale "will improve margins of ITC's consumer business that was loss making. But it will also impact sales of ITC's consumer business by close to 3 per cent."

After the offloading, Abneesh Roy, senior vice-president, Edelweiss Securities, estimates that "ITC will focus on the premium end through the WLS stores that were relaunched last month. They were earlier known as ITC Wills

Lifestyle. The WLS chain is a larger business contributing about ₹500 to ₹550 crore a year to ITC's total revenue," he said.

Reliance, on the other hand, is aggressively expanding its retail business and can sell the John Players brand of apparels through its offline stores and its online market place Alio.com. The conglomerate plans to expand its Reliance Trend outlet count to 2,500 by 2024 from 557 now. It also aims to integrate all its offline and online retail operations, including its flagship telecom services arm Reliance Jio, in the coming years.

Furthermore, sources said through the deal, the petroleum-to-grocery giant is placing its retail arm at the forefront.

John Players' reach to over 700 outlets in the country will also help RRL sell its other in-house apparel brands.

With ₹69,198 crore sales in 2017-18 and a growth rate of 44 per cent and 95 per cent in the past two financial years, RRL is already the largest and fastest growing retail business house in the country. During the first six months of 2018-19, it grew 122 per cent.

Introduction

- Every Web site in cyberspace also exists in a real-world matrix of legal constraints.
- As a businessperson, you need to understand the legal environment to protect yourself and your company online, just as you protect it offline.
- Because legal concerns might affect your costs, audience definition, and profitability, issues of cyber law become marketing concerns.

Protecting copyright and reserving trademarks

Copyright protects creative work in any medium — **text, photos, graphics, audio, video, multimedia, software** — from being used by others without permission.

Your work becomes your intellectual property as soon as you've created it in **a fixed form**. The rules for copyright are simple: Protect your own work and don't use other people's work without permission.

Your agreement with employees should clearly state that you or your business retains ownership of any intellectual property they create for you.

- Put a copyright notice on your Web site.
- The standard format includes the word copyright, copr., or symbol © followed by the year, name of copyright holder, and usually the term All Rights Reserved.
- Sometimes, the copyright notice specifies that the copyright applies to only a certain portion of the creative material, such as Content ©, or indicates that certain elements have been used with permission.
- Some companies supplement the copyright notice with a page of legal information
- If you want to use someone else's work, send a permission request like the one in the nearby sidebar "Sample copyright permission."

Where one can apply for Copyright in India

- **Registrar of Copyrights**

Copyright Office

Department For Promotion of Industry and Internal Trade

Ministry of Commerce and Industry

Boudhik Sampada Bhawan,

Plot No. 32, Sector 14, Dwarka,

New Delhi-110078

- Email Address: copyright@nic.in

Telephone No.: 011-28032496

Mobile No.: 08929474194

Essentials of Copyright Registration

It is important to protect your creations by copyrighting them. However, first it is important to understand if your work is eligible for a copyright or not. Below are some features of a work which can be copyrighted –

- It is the expression of an idea, and *not just a thought or idea*. For example, you can copyright a story that you write on any topic, but not the thought of writing a story.
- It is not a word. This is because a word is never given a copyright.
- The work is an original work, and not the copy of someone else's work.

What Can be Copyrighted?

Copyright does not exist for each and every kind of work. It is possible to copyright a work only if it is an original:

- Artistic work such as a logo or painting.
- Literary work such as a book or computer programme.
- Dramatic Work such as a play.
- Musical work such as graph music.
- Cinematographic work such as a video or a movie.
- Sound Recording such as a song.

Documents for Copyright Registration in India

For a smooth registration process, you will need the following documents and details:

- No objection certificate (NOC) from the author of the work (if applicant and author are different).
- 3 copies of the work.
- Special Power of Attorney
- NOC from the publisher (if publisher and applicant are different and the work is published)
- If a person's photo appears on the work, NOC from that person.
- TM-60 (NOC from Trademark office) if you either want to or it is possible to use the work on goods.
- Name, address, as well as nationality of the author.
- Location of the work.
- Year and country of first publication of work.
- If the work is an adaptation or translation of another work.
- Name, address and nationality of publisher.
- Authorization in respect of work, if any.
- Title of the work.
- Language of the work

Fee and Time

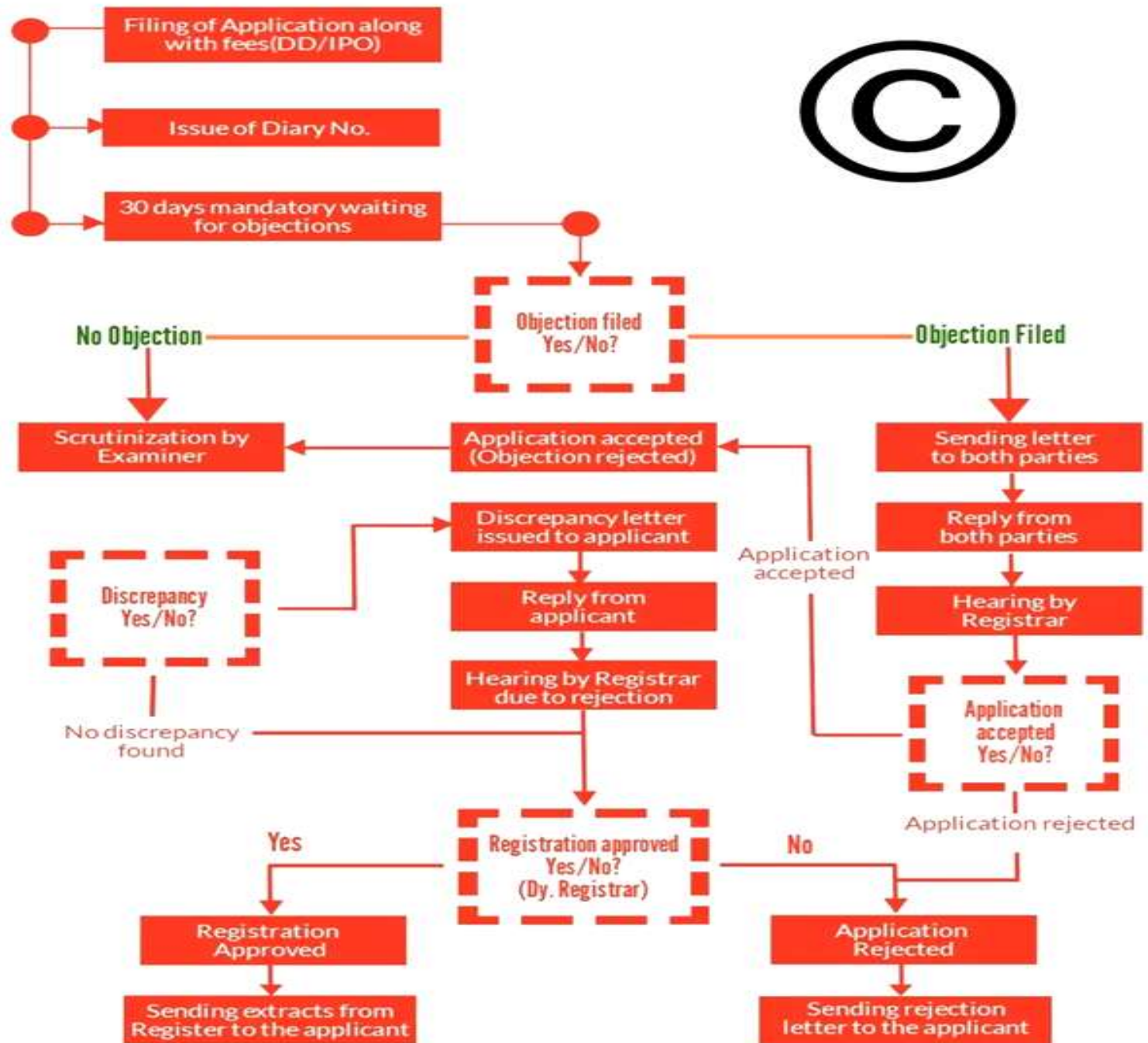
Fee for Copyright Registration

The government fee varies as per the type of work and starts from Rs. 500. The professional fee also varies as per the type of work and starts from Rs. 1500.

Timeline for Copyright Registration

On an average, the entire process of copyright registration takes 8-9 months. This is further subject to discrepancies in the application, if the copyright office raises any.

Process



When can one sue ?

Since **copyright** protection is automatic from the moment a work is created, registration is **not** required in order to protect your work. **You** must **file** an application for registration before **you can** sue someone for infringing your **copyright**, even **if** the infringement has already occurred.

- **Trademarks** (for goods) or *service marks* (for services) give you the exclusive right to use a particular name or logotype within specific commercial categories.
- You can trademark your own name, if you want, and you must acknowledge the trademarks and service marks of others.
- The first time you use a trademarked name (including your own) in text on your site, follow it with the **superscript ® for a registered mark or (tm) for a pending mark that has not yet issued.**
- Provide a notice of trademark ownership somewhere on your site. You can specify who owns which trademark or use a blanket statement, such as All trademarks are the property of their respective owners.

Avoiding Litigation: From Disclaimers to Terms of Use

- Legislators, investors, or advertisers might become unhappy about content that pushes the envelope on sites that aren't identified as "adult."
- If you're building an online community with public postings, your business needs might soon conflict with users' desires for Internet freedom.
- For instance, networking sites like Tribe.net, MySpace.com, and YouTube.com are under pressure to keep out obscene material.
- A *disclaimer* is a statement that waives liability or denies endorsement if users conduct unauthorized activity.

Linking legally

The courts have held that text links are legal without permission, **even to pages other than the home page, a practice called *deep linking*.**

- Here are some additional guidelines for linking to other sites:
 1. **Stick with highlighted text links as much as possible.**
 2. **Ask permission for a link that pulls only certain information from a site, such as a picture, and redisplay it.**
 3. **Seek permission to use graphic links, such as someone's trademarked logo or anything else that seems questionable.**
 4. **On your Legal or Links page, post a disclaimer that you aren't responsible for the content on third-party sites and that these sites aren't necessarily associated with yours.**
 5. **Don't display content from another site in a frame on your site.** It's misleading, even if you include the header graphic for the other site.
 6. **Instead, use an external link, opening the other site in a new window.**

Reviewing Privacy Policies

- Users might provide information ranging from an e-mail address when signing up for a newsletter to a credit card number when making a purchase.
- Intentionally, or unintentionally, your statistical software or advertising software might track visitors' paths through your Web site.
- Or you might monitor their shopping preferences through *cookies* (small identification files that your site saves to visitors' computers) and reflect back those preferences through personalization techniques.
- You might ask for demographic data, including age, or company information and job title to prequalify visitors as prospects.

- Start by reviewing what data you collect and why.
- Stop collecting information you don't need and never, ever, ask for a Social Security number (ADHAAR Number in India).
- Of course, follow the basic security practices, always using a secure server when taking credit cards online and encrypting stored data.
- Decide not to sell or exchange users' e-mail addresses or other data and follow the best practices for e-mail.
- By all means, tell people how their data will and won't be used and how long it will be kept.

Establishing Kid-Safe Zones

- If your site collects information from children under the age of 13, you must comply with the Children's Online Privacy Protection Act (COPPA).
- Basically, you're required to get parental consent before collecting information. Law or no law, it's good business to protect children online; you'll earn parental gratitude and loyalty for providing a safe and entertaining site.

Example -

Facebook

Parents approve every contact, so kids can chat in a safer, more controlled environment. ... Creating a Messenger Kids account for a child does not create a Facebook account for them. •

Parents and guardians use their own Facebook accounts to create a Messenger Kids account for their child.

How can one create a Facebook account for his/her child?

After adding your child as a family member on your profile:

- On your profile, click About below your cover photo.
- Click Family and Relationships.
- Click Add Scrapbook next to your child's name.
- You can choose to add your partner to your child's scrapbook, then tap Create Scrapbook when you're done.

Safeguarding Your Business

- With all the public concern about consumers being defrauded online, merchants receive little attention for the risks they face from fraud, theft of intellectual property, hacker activity, or denial of service attacks that shut down servers.
- To reduce fraud, review (not cancel!) orders with different shipping and billing addresses, a foreign IP address, or multiple orders in a short time from the same customer.