

## INTELLECTUAL PROPERTY PROTECTION AGREEMENT

This Intellectual Property Protection Agreement (hereinafter “Agreement”) is made and entered into as of January 20, 2025 (“Effective Date”) between Ms. Swati Chanchal, aged about 40 years residing at 9, A block, Wellington Street, Marine lines (“**Label Designer**”).

AND

\_\_\_\_\_ (**Hereinafter referred to as E-Commerce Platforms**), corporations validly incorporated under the laws of \_\_\_\_\_ jurisdiction.

AND

\_\_\_\_\_ (**Hereinafter referred to as Warehouse Owner/Manager**), corporations validly incorporated under the laws of \_\_\_\_\_ jurisdiction.

AND

\_\_\_\_\_, (**Hereinafter referred to as AI Service Provider**), corporations incorporated under the laws of \_\_\_\_\_ jurisdiction.

**WHEREAS**, The Label Designer is the owner of the labels 'Alankrit', 'Sushobhit' and 'Vibhushit' and owns the intellectual property rights of the labels, including copyrights, trademarks, and other proprietary rights related to its original designs and products (hereinafter referred to as the “Designer’s Works”);

**WHEREAS**, the Warehouse Owner/Manager has the expertise in manufacturing designer Clothes and has expressed interest in manufacturing and supplying Goods to the Label Designer;

**WHEREAS**, The E-commerce Platforms are inter alia in the business of developing and operating e-commerce businesses for independent third-party retailers and manufacturers and providing order processing capabilities, customer service capabilities, centralized inventory, invoicing and payment management to enable those entities/persons to offer e-commerce to their customers and such services;

**WHEREAS**, the AI-Service Providers monitor the internet to detect unauthorized sales of the designer's products on non-whitelisted platforms, web pages, social media platforms and other internet sources. AI Service Providers are contracted for services by whitelisted e-commerce platforms;

**WHEREAS**, the signing of this Agreement is a condition precedent to the consummation of transactions between the Label Designer and other parties, and the parties have mutually agreed to enter into this Agreement to govern their rights and obligations in relation to such transactions;

**WHEREAS**, these recitals shall form part of the Agreement;

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants made herein, the Parties, intending to be legally bound, agree as follows:

- 1. Definitions:** The definitions and interpretations to this Agreement are set forth in *Schedule-I*.
- 2. Counterfeit AI Detection Services:** The AI Service Provider shall be responsible for providing AI-driven services, including but not limited to the detection and identification of counterfeit products available on the internet, particularly those replicating or infringing upon the Designer's Work. The AI Service Provider shall adhere to the terms, specifications, timelines, and quality standards set forth in *Schedule-II* of this Agreement.
- 3. Manufacturing of the Goods:** The Warehouse owner/Manager shall be responsible for the Manufacturing of the Goods and their shipping to the Warehouse of the E-Commerce platform in accordance with the terms set forth in the *Schedule-III* of this Agreement.
- 4. Protection of Intellectual Property by the Warehouse owner/Manager:** The Warehouse owner/Manager shall ensure that the Intellectual Property is protected during the manufacturing and shipping of Goods and shall have the obligations specified in *Schedule-IV* for the protection of the Intellectual Property.
- 5. Distribution:** The E-Commerce Platform shall have the exclusive rights to publish, sell and distribute the Label Designer's Catalogue. The publication, sale and distribution of Goods by the E-Commerce platform shall be governed in accordance with the terms set forth in *Schedule-V* of this Agreement.
- 6. Representation and Warranties-** The parties to the Agreement represent and warrant that:

- 6.1. Their organisation/business is validly existing and of good standing under the laws of their respective jurisdiction with the power and authority to enter into and perform its obligations under this Agreement.
- 6.2. It holds all necessary Intellectual Property, authorisations, permits, licenses, certificates and meets and shall continue to meet all legal and regulatory requirements necessary to carry out their obligations under this Agreement.
- 6.3. There are no actions or any legal proceedings pending or threatened against the Warehouse Owner/Manager, which may impair its due performance under this Agreement;

## **7. Intellectual Property Rights**

- 7.1. This agreement does not transfer or vest any right, interest or title in any intellectual property of the Label Designer.
  - 7.2. Any use of the intellectual property of the Label Designer shall be subject to the provisions of this agreement.
  - 7.3. No party to the agreement shall use the intellectual property for any purpose or in any manner other than as permitted by this agreement or any subsequent instructions by the Label Designer.
  - 7.4. The ownership of the intellectual property shall exclusively vest with the Label Designer and no party to the agreement shall have the right to use it in any manner.
  - 7.5. Any party to the agreement shall not act in any manner which disparages, or dilutes the value of the Intellectual Property of the Label Designer.
  - 7.6. The AI Service Provider acknowledges that all intellectual property rights, including but not limited to copyrights, trademarks, designs, and any other proprietary rights, in and to the Label Designer's original works (the "Designer's Works") shall remain the exclusive property of the Label Designer.
- 8. Duration-** The Agreement shall continue to remain in force until it is terminated in accordance with the procedure prescribed in and under the circumstances provided in Clause 9 of this Agreement.
- 9. Termination-**
- 9.1. **Mutual Agreement-**

- 9.1.1. A party to the Agreement shall give the other parties a 90-day prior notice in writing specifying the date from which the termination comes into effect.
- 9.1.2. In the event of the termination of the Agreement by the Label Designer, all the rights and obligations of the party with respect to which the Agreement is terminated and the rights and obligations of all other parties towards that party shall cease to exist unless otherwise stated in this Agreement.
- 9.1.3. In event of a termination by any party other than the Label Designer, all the rights and obligations of such party and of all other parties towards that party shall cease to exist unless otherwise stated in this Agreement.

**9.2. Termination on Account of Insolvency-** This Agreement shall terminate automatically with respect to the Rights and obligations of a party should that Party file a petition at any time as to its bankruptcy, be declared bankrupt, become insolvent, make an assignment for the benefit of creditors, go into liquidation or undergo the process of dissolution.

**9.3. Termination on account of Breach-**

- 9.3.1. In any party to the Agreement commits a material breach, then the non-defaulting party materially affected by the said breach may give written notice to the defaulting party and if the defaulting party fails to rectify the Breach within thirty (30) days following such notice, the Agreement may be terminated by the non-defaulting party.
- 9.3.2. If any party to the Agreement other than the Label Designer commits a material breach, then the Label Designer may terminate the Agreement with respect to the Rights and Obligations of that party while the remaining Agreement shall continue to subsist.
- 9.3.3. In event of the termination by any party other than the Label Designer, the said party shall cease to be a party to the contract, while the Contract shall continue to subsist between the remaining parties to the Agreement.

**10. Effect of Termination of the Agreement-**

- 10.1. In event of termination of the Agreement, all the rights and obligations of the parties shall cease, unless otherwise provided in the Agreement.

- 10.2.** In event of the termination of the Agreement, the party/parties other than the Label Designer that are no longer a part of the agreement, shall perform a Complete forensic destruction of any hardware, software or any other media containing any information related to the Intellectual Property of the Label Designer or any other Confidential information within the scope of Clause 12 of the Agreement.
- 10.3.** However, Clause 7, 10, 11, 12, 17, 18 and 19 of the Agreement and *Clause 12 of Schedule-II* shall continue to remain in effect even after termination or Expiration of the Contract.
- 11. Indemnification-** Each party shall indemnify the other parties from and against any and all claims, losses, damages, liabilities, and expenses (including reasonable legal fees) arising out of or in connection with its breach of this Agreement.
- 12. Confidentiality-**
- 12.1.** No party to this Agreement shall, either directly or indirectly, disclose or provide to anyone any information which is not in the public domain and is of a confidential nature concerning the business or operations of the other parties to the Agreement which has come into their possession or knowledge as a result of the Agreement or any transaction in pursuance thereof.
- 12.2.** In event that any party becomes legally bound to disclose such information as a result of any need to complete any mandatory governmental filings or judicial or quasi-judicial proceedings, the party shall inform the relevant parties regarding such mandatory requirement at least 7 days prior to the disclosure of the information allowing the other party sufficient time and opportunity to avail an appropriate legal remedy to prevent the disclosure of such information.
- 13. Assignment-** No party to the agreement shall have the power to assign, delegate or transfer their rights or obligations or a part thereof without the prior written consent of the duly authorised representative of each party to the Agreement.
- 14. Schedules to prevail-** In the event of any inconsistency between the terms of this Agreement and the Schedules, the terms of the Schedules shall prevail.
- 15. Force Majeure Clause-** Neither party shall be in default nor liable to the other for any failure to perform directly by any unforeseeable impediment beyond that party's reasonable

control which is unavoidable, provided that the affected party shall notify the other parties of the occurrence of the said event in order to invoke the application of this clause.

**16. Notices-**

**16.1.** Any notice required or permitted under the terms of this Agreement or required by statute, law or regulation shall be in writing and in the English language and shall be sent via registered mail in Clause 16.2 of this agreement or to another address number specified by that Party and received before the notice was dispatched.

**16.2.** All notices required or contemplated under this Agreement shall be addressed to the e-mail address provided in this contract.

Email Addresses: \_\_\_\_\_

**17. Governing Law and Jurisdiction-** This Agreement shall be governed by and construed in accordance with the provisions of the laws of India. The Parties shall be subject to the exclusive jurisdiction of the courts at Mumbai, India.

**18. Dispute Resolution-**

**18.1.** Any dispute arising out of the Agreement shall be referred to Mediation at the Bombay Chamber of Commerce and Industry.

**18.2.** In event that parties fail to reach an amicable solution, shall be referred to and finally resolved by arbitration. Further,

(i) the number of arbitrators shall be three;

(ii) the seat of arbitration shall be Bombay; and

(iii) the language to be used in the arbitral proceedings shall be English.

Arbitration shall take place in accordance with the provisions of the *Arbitration and Conciliation Act, 1996* or any amendment thereof.

**19. Severability-** In the event that any part or provision of this Agreement be determined to be void, invalid, unenforceable or illegal for whatever reason, such provision(s) shall be null and void; provided, however, that the remaining provisions of this Agreement shall be unaffected thereby and shall continue to be valid and enforceable.

**20. Waivers clause-** The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy under this

Agreement shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.

21. **Amendment-** No amendment shall be made to this Agreement, except by a written instrument duly signed and executed by the authorised representative of each Party to the Agreement.
22. **Entire Agreement** This Agreement and the understanding of the parties as to the subject matter, shall supersede all other previous communications, commitments or understandings, whether oral or written, between the parties in relation to the subject matter of this Agreement. Further, no agreement extending the application of the same shall be binding upon the parties unless arising out of any specific provision of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the date first written above.

**Ms. Swati Chanchal**

**Warehouse Owner/Manager**

**E-Commerce Platform**

**By**\_\_\_\_\_

**XYZ, Regional Manager**

**AI Service Provider**

**By**\_\_\_\_\_

**ABC, Regional Sale Supervisor**

*Schedule-I*

**DEFINITIONS AND INTERPRETATIONS**

1. **“Warehouse Owner/Manager”** means and includes all Warehouse Owner/Manager who are party to this Agreement.
2. **“E-Commerce Platforms”** means and includes whitelisted E-commerce Platforms who are party to this Agreement.
3. **“Whitelisted E-commerce Platforms”** shall refer to those platforms with which the Label Designer has entered into the Agreement or enters into the Agreement in future for specific purposes, including but not limited to the marketing, sale, and distribution of the Label Designer’s products, subject to the terms and conditions outlined in such agreements.
4. **“Non-Whitelisted E-commerce Platforms”** are those platforms that are not Whitelisted E-commerce Platforms.
5. **“Intellectual Property”** Intellectual Property shall include all the designs and trademarks owned by the Label Designer.
6. **“Goods”** includes all the apparel items manufactured and sold under the Labels 'Alankrit', 'Sushobhit' and 'Vibhushit'. It is interchangeably used as Products in the agreement;
7. **“Affiliate”** shall mean, with respect to each Party, any person or entity directly or indirectly through one or more intermediary Controlling, Controlled by, or under direct or indirect common Control with a Party.
8. **“Control”, “Controlled” or “Controlling”** shall mean, with respect to any person or entity, any circumstance in which such person or entity is controlled by another person or entity by virtue of the latter person or entity controlling the composition of the board of directors or managers or owning the largest or controlling percentage of the voting securities of such person/entity or otherwise controlling the other.
9. **“Training Data”** is the data used to train an algorithm or machine learning model to predict the outcome you design your model to predict. The data provided by the Label Designer to train the algorithm for counterfeit product detection shall be referred to as "Training Data."
10. **“Security Breach”** means and includes any incident whether by Physical or digital means which results in a violation of or had the potential to cause the violation of the Intellectual

Property Rights of the Label Designer or is in breach of the Clause 3.3. of the Schedule III of the Agreement.

11. **“Proprietary Information”** means all information, whether or not in writing, whether or not patentable and whether or not copyrightable, of a private, secret or confidential nature, owned, possessed or used by the parties.
12. **“Derivative works”** include any modifications, adaptations, reproductions, translations, or transformations of the Designer's Works, whether in whole or in part, that are based on the Designer's Works.
13. **“Image Recognition Technology”** allows machines to identify objects, people, entities, and other variables in images.
14. **"E-commerce Listing"** refers to a digital presentation of a product in whitelisted and non-whitelisted platforms available for purchase online, typically displayed on a retailer's website or marketplace, including details like product name, description, price, images, and other relevant attributes that allow customers to browse and potentially buy the item.
15. **"Designer's Work"** shall mean any design, artwork, or other creative work produced by the Label Designer specifically for commercial purposes.

## *Schedule-II*

### **THE MUTUAL RIGHTS AND OBLIGATIONS OF THE LABEL DESIGNER AND THE AI SERVICE PROVIDERS**

The provisions of this agreement shall be read along with any previous agreements between the Label Designer and the AI Service Providers. However, in the event of a conflict between the provisions of the two agreements where Harmonious Construction would not be possible, the provisions of the present Agreement shall prevail. The Rights of and Obligations of the Label Designer and the AI Service Providers are as follows:

The Label Designer and the AI Service Providers are hereinafter individually referred as the “Party” and collectively referred as the “Parties”.

NOW THEREFORE, in consideration of the mutual rights and obligations hereunder, the Parties mutually agree as follows:

#### **1. Scope of Service-**

- 1.1.** The AI Service Providers shall use Image recognition technology to process visual data and perform tasks such as detecting counterfeit products and interpreting visual information from images or videos associated with the Label Designer only for the purpose of detecting counterfeit products and other purposes authorized by the Label Designer.
- 1.2.** The AI Service Provider shall utilize Convolutional Neural Networks (CNNs) only for the purpose of image recognition and detecting counterfeit products. The Convolutional Neural Network (CNN) shall be interpreted as a Deep Learning technique that takes an input image and assigns importance (learnable weights and biases) to various aspects and objects in the image, allowing them to be distinguished.
- 1.3.** Optical Character Recognition (OCR) technology shall also be employed to extract text from images, enabling the AI to process the text data only for the purpose of detecting counterfeit products. Optical Character Recognition is a software technique that recognizes (written or printed) text electronically and converts it into machine-readable text for data processing.

**1.4.** The use of Image Recognition Technology, CNN techniques, OCR technology and as specified in Clause 1.1, Clause 1.2 and Clause 1.3 in Schedule II respectively, has been mutually agreed upon by the AI Service Providers, E-commerce Platforms, and the Label Designer.

Any change in the Image Recognition Technology, CNN, or OCR employed under this Schedule shall require:

(a) Prior mutual agreement in writing among the AI Service Provider, E-commerce Platforms, and the Label Designer.

(b) A formal amendment to this Schedule, duly executed by all parties.

**1.5.** The AI Service Provider shall monitor whitelisted and non-whitelisted e-commerce platforms, online websites, social media platforms, or any other internet sources to identify unauthorized sales of the Designer's products.

**2. Ownership of AI Model Results-**

**2.1.** Any results, reports, models, algorithms, insights, and data generated through the use of the Training Data provided by the Label Designer (the "Results") shall be the exclusive property of the Label Designer.

**2.2.** The AI Service Provider shall not retain any rights to these Results unless explicitly agreed upon in writing by the Label Designer. This includes all forms of output produced by the AI software, such as counterfeit detection patterns, insights, and reports.

**3. Use and Protection of Training data-**

**3.1.** The Label Designer shall provide the AI Service Provider with access to proprietary and confidential information related to the Label Designer's products, including but not limited to product images, design details, logos, and any other relevant information for the purpose of training the AI models to detect counterfeit products.

**3.2.** The AI Service Provider agrees that the Training Data shall be used exclusively for the purpose of training, testing, and improving the AI models for the counterfeit detection of the Label Designer's products. The Training Data shall not be used for any other purpose, including but not limited to:

**3.2.1.** Any commercial use unrelated to the counterfeit detection.

**3.2.2.** Sharing, selling, or sublicensing the Training Data to third parties.



data relating to the use of the Training Data. The AI Service Provider agrees to provide full cooperation during such audits.

- 5.2. An independent auditor shall be appointed by the E-commerce Platform or the Label Designer for the purpose of auditing, with the AI Service Provider being informed at least 48 hours prior to the appointment.
- 5.3. After the appointment of an independent auditor, that person shall have the right to inspect, review, assess and investigate the AI Service Provider's affairs. A confidentiality agreement shall be executed with the appointed independent auditor.

## **6. Compliance with Legal Provisions-**

- 6.1. The AI software either on or through their computer resource shall not permit its users to host, display, upload, modify, publish, transmit, store, update or share any unlawful content or violate any other provision of the IT Act and other laws in force.
- 6.2. The AI Service Provider shall not engage in any activities that would constitute hacking under Section 66 of the Information Technology Act, 2000, including the unauthorized access or manipulation of any computer systems, to obtain information about counterfeit products related to the Label Designer.
- 6.3. The Label Designer shall not be held liable for any violations of the law resulting from the actions done by the AI Service Provider outside the purview of this Agreement. Any penalties or punishments arising from such violations shall be the responsibility of the AI Software Provider.

## **7. Data Security and Confidentiality-**

- 7.1. The AI Service Provider shall implement and maintain security measures to protect any sensitive data or intellectual property provided by the Designer in the course of this Agreement.
- 7.2. The AI Service Provider shall not disclose any confidential information regarding the Designer's products or business operations to third parties without the Designer's prior written consent, unless required by law.

## **8. Data Encryption-**

- 8.1. The AI Service Provider, to protect proprietary data, designs, and sensitive information of the Label Designer from unauthorized access, misuse, or theft, shall use AES-256 symmetric encryption algorithm to encrypt and decrypt data.

- 8.2.** Data shall be protected as it moves across networks, including but not limited to emails, APIs, and data exchanges between systems, ensuring it remains secure from interception or unauthorized access.
- 8.3.** Data shall be protected when stored in databases, servers, or any other storage systems to prevent unauthorized access or breaches.
- 8.4.** The AI Service Provider shall be solely responsible for implementing and maintaining encryption mechanisms to protect the proprietary data of the Label Designer. Data Encryption Technology shall be regularly reviewed, updated, and improved to remain compliant with evolving security standards and technological advancements.
- 8.5.** Where encryption cannot be feasibly applied due to technical limitations, legacy systems, or other exceptional circumstances, the AI Service Provider shall implement alternative security measures to protect the proprietary data of the Label Designer. Such alternative measures shall be mutually agreed upon by the parties in writing.
- 8.6.** In the event of any unauthorized access, breach, or failure of the encryption mechanisms, the AI Service Provider shall promptly notify the Label Designer through registered mail.

## **9. Access Control-**

- 9.1.** Access Control ensures that only authorized personnel have access to proprietary data and systems, using secure authentication and authorization protocols.
- 9.2.** Multi-factor authentication (MFA) in a reasonable manner shall be employed by an AI Service Provider for the purpose of ensuring Access Control.
- 9.3.** The AI Service Provider shall maintain comprehensive logs of all employees with access to designers' work, capturing details such as user identity, access time, and resources accessed for a minimum period of 2 years.

## **10. Payment-**

- 10.1.** The E-commerce Platforms contracting with the AI Service Provider shall be responsible for payment for services or any dues.
- 10.2.** Non-payment for services by the E-commerce Platforms shall not lead to the use of the Label Designer's designs for any unauthorized purposes. In the event of non-payment and the subsequent suspension of services, the AI Service Provider shall not

use, exploit, or share the Designer's works or Training Data for any derivative purposes, commercialization, or distribution, nor shall it transfer or disclose such designs to any third parties for any reason. The Label Designer's designs shall remain confidential and protected, even if the services are suspended due to non-payment by E-commerce Platforms.

**11. Incident Response Mechanism upon detection of Infringement-**

- 11.1.** The Label Designer and the E-commerce Platform shall have the exclusive right to initiate any legal claims, actions, or proceedings related to the infringement of the Label Designer's intellectual property rights, including but not limited to the unauthorized sale, reproduction, or distribution of the Label Designer's products.
- 11.2.** The AI Service Provider shall not send any notices, take any legal actions, or engage in any communication with third parties or alleged infringers regarding the violation of the Label Designer's intellectual property rights.
- 11.3.** Any infringement detection reports generated by the AI Service Provider shall be shared exclusively with the Label Designer and the E-commerce Platform, and any subsequent legal actions or enforcement of intellectual property rights shall be solely the responsibility of the Label Designer and/or the E-commerce Platform, as applicable.
- 11.4.** The AI Service Provider agrees to fully cooperate with the Label Designer and the E-commerce Platform in any legal proceedings or actions related to IPR enforcement, including providing necessary evidence, reports, and data related to detected infringements, but shall not independently take any steps to address or resolve any IP violations.
- 11.5.** The AI Service Provider is required to notify the Label Designer and the E-Platforms via registered email addresses upon the detection of an infringement of the Intellectual Property, providing the Uniform Resource Locator (URL) for the E-commerce listings, websites, social media posts or other internet sources where infringement has taken place.
- 11.6.** The AI Service Provider shall fully cooperate with the Label Designer and E-commerce Platforms by promptly providing all necessary information, data, and details related to detected infringements.

- 11.7.** The AI Service Provider shall refrain from sending takedown requests, whether via email, phone, or any other form of communication, to the contact addresses associated with websites, social media pages, non-whitelisted e-commerce platforms, or other internet platforms found to be infringing upon the Intellectual Property Rights of the Label Designer. Any action related to such infringements shall be undertaken only in accordance with the procedures mutually agreed upon by the parties.
- 12. Non-compete Clause-** The AI Service Provider agrees that, during the term of this Agreement and for a period of 1 year after its termination, it will not directly or indirectly engage in any business or activities or provide services to any such Business/Individual that directly competes with the Label Designer's core business within the geographical limits of India.

### *Schedule-III*

## **THE MUTUAL RIGHTS AND OBLIGATIONS OF THE LABEL DESIGNER AND THE WAREHOUSE OWNER/MANAGER**

The provisions of this agreement shall be read along with any previous agreements between the Label Designer and the Warehouse Owner/Manager. However, in the event of a conflict between the provisions of the two agreements where Harmonious Construction would not be possible, the provisions of the present Agreement shall prevail. The Rights of and Obligations of the Label Designer and the Warehouse Owner/Manager under the present agreement are as follows:

### **1. Manufacturing of Products-**

- 1.1.** The Warehouse Owner/Manager shall manufacture and supply the Products in accordance with the terms and Conditions of this Agreement and any other instructions provided by the Label Designer and in compliance with all the laws and regulations applicable to the Warehouse Owner/Manager.
- 1.2.** The Label Designer may place a Manufacturing Order specifying details including but not limited to the description and quantity of Products to be manufactured and supplied, the terms of payment, the terms of delivery and packaging.
- 1.3.** The Warehouse Owner/Manager shall communicate the acceptance/rejection of the Manufacturing Order within 5 working days of the receipt of the Manufacturing Order.
- 1.4.** No amendment shall be made to the Manufacturing Order unless agreed to in writing by both the parties.
- 1.5.** The production shall not take place, except with an order being received for the manufacturing of Goods from the label Designer, unless otherwise authorised by the Label Designer.
- 1.6.** The Warehouse Owner/Manager shall not produce Goods in a quantity more than the quantity specified in the terms of the Manufacturing Order.
- 1.7.** No product manufactured on the order of the Label designer shall be kept at the Warehouse for more than seven business days after manufacturing without shipping, except with the permission or at the request of the Label Designer.
- 1.8.** The Warehouse Owner/Manager shall maintain a digital record, with complete access to the Label Designer, containing the details of the products manufactured from the

designs shared by the label designer including the date of manufacturing, name and code of the design manufactured, date of shipping and address of shipping.

- 1.9. The Warehouse Owner/Manager shall be responsible for compliance with all the relevant legal provisions it is bound to follow in the performance of its obligations under this agreement including but not limited to Consent to Establish and Consent to Operate, permission from State Pollution Control Board compliance with the environmental laws such as Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974.

## **2. Packaging and Labelling of Goods-**

- 2.1. Packaging of the goods shall take place in accordance with the terms of the Manufacturing Order.
- 2.2. The Warehouse Owner/Manager shall ensure that the packaging of the goods which ensures protection of the product from the reasonably foreseeable physical damage during the delivery and afterwards through the distribution network.
- 2.3. The Warehouse Owner/Manager shall ensure that the packaging and labelling of the goods is in compliance with The Legal Metrology Act, 2009 and other relevant Indian laws.
- 2.4. The Warehouse Owner/Manager shall not rely on non-recyclable plastics for packaging of goods where a commercially viable alternate packaging material is available. The term Commercially viable shall include any other alternative which does not increase the cost of packaging by more than 50%.
- 2.5. The packaging of the goods must contain the Trademarked logo and name of the label designer covering 15-20% of the external surface area of the packaging of the product.

## **3. Quality Control Inspections-**

- 3.1. After the Acceptance of Manufacturing Order, the Warehouse Owner/Manager shall, within the time period specified in the Manufacturing Order, provide the Label Designer with a Pre-Production Sample for each separate category of Product for which order has been placed (Goods of same design and description but different size constitute same Category).

- 3.2. The Warehouse Owner/Manager shall also supply to the Label Designer Pre-Production Samples of the Materials proposed to be used for the production of the final products.
- 3.3. The Label Designer shall inspect the sample of the Goods and the production Material to ensure that they are of expected quality in accordance with the terms of the Manufacturing Order.
- 3.4. The Label Designer shall, within 7 days of the receipt of the sample, complete the inspection of the Sample(s) and communicate the Approval/Rejection of the Product Sample as the case may be.
- 3.5. The Warehouse Owner/Manager shall not begin the production of Goods without obtaining the Approval for Production.
- 3.6. In event of the rejection of the Sample due to non-Compliance with the Quality Requirements, the Manufacturing Order shall be considered to be automatically terminated with immediate effect.
- 3.7. The Communication of the approval of the Sample shall itself constitute an Approval for Production.
- 3.8. The Warehouse Owner/Manager shall ensure that the quality of products is strictly in consonance with the terms of the Manufacturing Order and the specifications of the Pre-Production Sample and the Manufacturing materials approved by the Label Designer.
- 3.9. The Warehouse Owner/Manager shall, upon the receipt of a request for the information necessary for ensuring Quality Control including but not limited to specification of the material, quality of stitching and the machinery used for the manufacturing of the product, suppliers and sources of materials used in manufacturing.
- 3.10. The Label Designer reserves the right to conduct an inspection of the Manufacturing facilities of the Warehouse Owner/Manager to review the Quality of the product being manufactured.
- 3.11. The Label Designer reserves the right to reject the delivery of goods in event of non-compliance with Clause 3.8. of this Schedule.

#### **4. Shipping of Goods-**

- 4.1. The Shipment of Goods shall take place in accordance with the terms of the Manufacturing Order or any subsequent instructions provided by the Label Designer.
- 4.2. The Goods must be delivered to the address of the relevant warehouse of the E-Commerce Platforms specified in the Manufacturing Order unless instructed by the Label Designer to the contrary.
- 4.3. The Warehouse Owner/Manager shall bear the risk on account of any loss of goods during Transportation. The risk shall be transferred from the Warehouse Owner/Manager to the E-commerce platforms upon the delivery of goods.
- 4.4. The Warehouse Owner/Manager shall be responsible for arranging and bearing the Cost for the Shipment of goods.
- 4.5. The Warehouse Owner/Manager shall implement a Shipment Tracking System using the RFID and IoT Sensors to ensure that the Label Designer and the E-Commerce Platforms can track the shipment in real-time.

**5. Penalties-**

- 5.1. In event of a delay in the shipping of goods to the delivery address, the Warehouse Owner/Manager shall pay a penalty to the Label Designer at the rate of 0.1% of the Amount payable under the Manufacturing Order per day.
- 5.2. Partial delivery of the goods ordered under the Manufacturing Order are not permitted unless specifically permitted by the Label Designer in writing on account of exceptional circumstances.
- 5.3. In event of a partial delivery without prior written permission of the label designer, the penalties applicable under Clause 5.1. shall be levied on the basis of the entire amount due under the Manufacturing Order inclusive of the amount due on account of the partially delivered goods.

*Schedule-IV*

**PROTECTION OF THE INTELLECTUAL PROPERTY BY THE WAREHOUSE  
OWNER/MANAGER**

**1. Measures for Protection of the Intellectual Property-**

- 1.1.** The label Designer shall provide the Designs in the digital form for the manufacturing of the Goods.
- 1.2.** The Label Designer shall be responsible for the Encryption of the digital form of the Designs using the Twofish Technology and shall separately share the Authentication Key with the Authorised Representative of the Warehouse Owner/Manager.
- 1.3.** The Warehouse Owner/Manager shall ensure that any information pertaining to the designs shall exist only in digital form and the same shall not be converted to physical form.
- 1.4.** The Warehouse Owner/Manager shall ensure that the Intellectual Property shall not be accessed by any Individual except through the devices managed by and under the control of the Warehouse Owner/Manager.
- 1.5.** The Warehouse Owner/Manager shall implement technological measures to ensure that designs are not transferred by any individual from the devices authorised to store the Intellectual Property to the unauthorised devices.
- 1.6.** The Warehouse Owner/Manager shall maintain an Audit Trail keeping a detailed log of all the activities related to the Intellectual Property taking place in their devices.
- 1.7.** The Warehouse Owner/Manager shall ensure that the entire Manufacturing/Warehouse facility shall remain under the CCTV surveillance at all times.
- 1.8.** The Warehouse Owner/Manager shall ensure the maintenance of a digital record of the persons accessing the manufacturing facility.
- 1.9.** The Warehouse Owner/Manager shall maintain the record of Employees or any other individuals with access to the Intellectual Property of the Label Designer.
- 1.10.** In event an employee with access to the Designs leaves the employment of the Warehouse Owner/Manager and joins a competing business, the Warehouse Owner/Manager shall, within 15 days, inform the Label Designer of the Competing

business such employee shall be joining to ensure proactive monitoring of potential Intellectual Property Rights Infringement.

**1.11.** In event, the Warehouse Owner/Manager has entered into an agreement with a Cloth Designer, Manufacturer or any other business competing with the Label Designer, or at any point during the subsistence of the present Agreement enters into such an Agreement, the same shall be informed via notice to the Label Designer within one week, in the former case, of the date on which this Agreement comes into force or and in the latter case, the date on which the respective Agreement comes into force.

**1.12.** The Warehouse Owner/Manager shall enter into or have a pre-existing a Confidentiality Agreement with the Employees with access to the Intellectual Property for the purpose of protection of the label designer.

## **2. Audit-**

**2.1.** An independent 3<sup>rd</sup> Party Audit of the Manufacturing and warehouse shall take place every six months to ensure that the Security measures are in compliance with the terms of the Agreement.

**2.2.** The independent 3<sup>rd</sup> Party Auditor shall be appointed at the cost and instance of the Label Designer.

**2.3.** The Warehouse Owner/Manager shall provide the Auditor with assistance and support in obtaining necessary information for the preparation of the Audit Report.

**2.4.** The Audit shall not take place except with a one-week prior written notice.

**2.5.** Notwithstanding the six-month audit, additional audit may also be conducted at the cost and instance of the Label Designer.

## **3. Incident Response Mechanism-**

**3.1.** The Warehouse Owner/Manager shall take reasonable care to prevent any form of data breach in their systems which might compromise the Intellectual Property of the Label Designer.

**3.2.** Warehouse Owner/Manager shall not do an act/ omit an act which it can be reasonably expected to perform which Compromises the security of its systems.

**3.3.** In the event that Warehouse Owner/Manager reasonably suspects or becomes aware of an occurrence of unauthorized access, acquisition, disclosure, or use of the other Party's Confidential Data or Intellectual Property while being in possession of the

said Information, the Warehouse Owner/Manager shall within 24 hours on reasonably suspecting or becoming aware of such breach, bring the same to the notice of the Label Designer and the E-Commerce Platform party to this contract in writing via email at the E-mail address specified in this Agreement.

- 3.4.** The Warehouse Owner/Manager shall, via such communication specified in Clause 3.3., provide all information on (i) the nature and full extent of the Incident including the categories and volume of affected Confidential Data, (ii) the estimated risks and likely consequences of the Security Incident to each Party, and (iii) the investigative, corrective, and remedial actions taken, planned, or proposed to prevent, contain, mitigate, and remediate the Security Incident.
- 3.5.** The Warehouse Owner/Manager shall take all measures that are commercially viable, to prevent, contain, mitigate, and remediate the Security Incident, which may include responding to reasonable requests for relevant information, data, or records by other parties to the Agreement and by law enforcement or other governmental authorities subject to the Confidentiality provisions of this agreement and the Manufacturing Agreement.
- 3.6.** The Warehouse Owner/Manager shall at its own expense, engage an independent 3<sup>rd</sup> party Investigator with expertise in dealing with matters similar to the breach to conduct an inquiry into the root cause of the security breach and determine the Corrective measures to be implemented to eliminate future possibility of the occurrence of a similar Incident.
- 3.7.** The Warehouse Owner/Manager shall complete the inquiry specified in Clause 3.6. and submit a Written report on the same within 30 days of any such Intellectual Property right breach.
- 3.8.** In event, it is found that the Label Designer was responsible for the Security Breach, it shall be Indemnify the Warehouse Owner/Manager for the Costs borne for the implementation of the Incident Response Mechanism under Clause 3 of this Schedule.

*Schedule-V*

**THE MUTUAL RIGHTS AND OBLIGATIONS OF THE LABEL DESIGNER AND THE  
E-COMMERCE PLATFORMS**

The provisions of this agreement shall be read along with any previous agreements between the Label Designer and the Warehouse Owner/Manager. However, in the event of a conflict between the provisions of the two agreements where Harmonious Construction would not be possible, the provisions of the present Agreement shall prevail.

The Label Designer and the AI Service Providers are hereinafter individually referred as the “Party” and collectively referred as the “Parties”.

The Mutual Rights of and Obligations of the Label Designer and the E-Commerce are as follows:

**1. Exclusive Catalogue Rights-**

- 1.1.** The Label Designer shall provide the E-Commerce Platforms with an exclusive catalogue of designs and products, which shall be hosted, promoted, and sold solely by the E-Commerce Platforms for the duration of Agreement between Label Designer and E-commerce platforms.
- 1.2.** The Label Designer shall not distribute, license, or sell any part of the exclusive catalogue to any other platform, vendor, or third party during the term of agreement between Label Designer and E-commerce platforms without prior written consent from the E-Commerce Platforms.
- 1.3.** The exclusivity applies to all designs, products, and associated intellectual property. The exclusivity shall be valid within the geographical limits of the territory of India where the E-Commerce Platforms operate, unless otherwise specified in writing.
- 1.4.** The E-Commerce Platforms shall safeguard the exclusive catalogue from unauthorized copying, deep fakes, or deceptive alterations for resale in their own E-Commerce Platforms.
- 1.5.** The E-Commerce Platforms are granted a limited, non-transferable, and exclusive license to use the catalogue content solely for marketing, promotion, and sale within the terms of this Agreement.
- 1.6.** The E-Commerce Platforms shall not modify, sublicense, or reproduce any content from the exclusive catalogue without prior written consent from the Label Designer.

**2. Payment-**

- 2.1. The E-Commerce platform shall within 5 days of receipt of payment for the goods from the Customer, transfer the amount to the Bank Account of the Label Designer (Bank Account No. XXXXXXXXXXXXX IFSC Code: SBIN0000xxxx) for payment purposes via RTGS/NEFT payment mechanism.
- 2.2. The E-Commerce platform shall within 24 hours of the payment inform the Label Designer of the Transaction Reference ID and the amount transferred via registered email address.
- 2.3. The E-Commerce Platform shall make payments to the Label Designer after deducting the agreed commission rate specified in the service agreements executed between the parties. Payment shall be made only after products are sold to end customers.

**3. Distribution of the goods-**

- 3.1. If the Label Designer agrees to sell goods to E-Commerce Platforms as a vendor, and E-Commerce Platforms acts as a retailer, the Label Designer shall ship the products to E-Commerce Platforms warehouses through Warehouse Owner/ Managers and invoice E-Commerce Platforms upon E-Commerce Platforms, placing purchase orders for the Goods.
- 3.2. If the Label Designer provides products to E-Commerce Platforms on a consignment basis, then E-Commerce Platforms shall track sales and deduct agreed-upon fees according to the service agreement executed between the parties before remitting the payment for sold items. Unsold inventory shall be returned to the Warehouse Owners/Managers designated by the Label Designer, as communicated by the Label Designer.
- 3.3. The E-Commerce Platform shall be responsible for online sale and shipment of goods to the Customers upon the Purchase Orders being placed on their platform.
- 3.4. In the event of goods being returned by customers, the E-Commerce Platforms shall ship the returned goods back to the Warehouse Owner/Manager responsible for manufacturing those goods.

**4. Proprietary Information-**

- 4.1. The E-commerce Platforms shall provide such access to its information and property as may be reasonably required in order to permit the Label Designer to perform Label Designer's obligations hereunder.
- 4.2. The E-Commerce Platforms shall have access to and contact with Proprietary Information for the performance of agreements executed between the parties. The E-Commerce Platforms shall not disclose any Proprietary Information to any person or entity other than employees of the E-Commerce Platforms or use the same for any purposes (other than in the performance of the services) without written approval by Label Designer.
- 4.3. Clause 4.2 shall not apply to any information that (i) is or becomes known to the general public under circumstances involving no breach by the E-Commerce Platforms (ii) is generally disclosed to third parties by the Label Designer without restriction on such third parties, or (iii) is approved for release by written authorization by Label Designer.
- 4.4. The E-Commerce Platforms agrees that all files, documents, reports, records, sketches, drawings, photographic, or other tangible material containing Proprietary Information which shall come into E-Commerce Platforms' custody or possession, shall be and are the exclusive property of the Label Designer to be used by the E-Commerce Platforms only in the performance of E-Commerce Platforms duties towards the Label Designer.
- 4.5. The E-Commerce Platform acknowledges that the Label Designer may, from time to time, enter into agreements with other persons, companies, or organizations that impose obligations or restrictions on the Label Designer, including those related to collaborations or the confidential nature of the work conducted under such agreements. The E-Commerce Platform agrees that such obligations or restrictions shall not constitute a breach of this Agreement, nor shall they be deemed to result in a deficiency of services provided by the Label Designer, provided such obligations or restrictions are reasonable and do not materially impact the performance of agreements executed between the parties.

**5. Obligation of Label Designer-**

- 5.1. The Label Designer shall cooperate with the E-commerce Platforms personnel, shall not interfere with the conduct of the E-commerce Platforms business and shall observe all rules, regulations and security requirements of the E-commerce Platforms concerning the safety of persons and property.
- 5.2. Label Designer may access, collect, use, store, and transmit only the E-commerce Platforms Information expressly authorized under the Agreements executed between parties and solely for the purpose of providing the services under the Agreement executed between the parties.
- 5.3. Label Designer shall comply in all respects with E-commerce Platforms' security requirements provided to the Label Designer. The Security Policy of E-Commerce Platforms applies to all access, collection, use, storage, transmission, disclosure, destruction or deletion of and management of security incidents regarding E-commerce Platforms. E-commerce Platforms may change this Security Policy from time to time at its sole discretion upon providing written notice to the Label Designer, provided that if such changes are not arbitrary, the parties shall mutually agree on appropriate additional fees.
- 5.4. The Label Designer shall ensure that all information provided to the Platforms, including product details, designs, and intellectual property, is accurate and complete.
- 5.5. The Label Designer has the duty to promptly communicate with the Platforms regarding any potential infringement or violation of intellectual property rights and cooperate with the Platforms in addressing such infringement or violation.
- 5.6. The Label Designer shall not utilize any services provided by the E-Commerce Platforms for any purposes other than those expressly related to the listing, promotion, and sale of the Label Designer's authorized products, as specified under the terms of this Agreement. Any unauthorized use of the E-Commerce Platforms' services shall constitute a material breach of this agreement between the parties.

**6. Independent Contractor Status-**

- 6.1. The parties shall be deemed independent contractors for all purposes hereunder.
- 6.2. The Label Designer shall not control how the Service is performed on a day-to-day basis and the E-Commerce Platforms will determine when, where and how the Service will be provided.

**6.3.** This Agreement does not constitute an employment, partnership, joint venture or agency between the parties hereto, nor shall either of the parties hold itself out as such contrary to the terms hereof by advertising or otherwise nor shall either of the parties become bound or become liable because of any representation, action or omission of the other.

**7. Measures for IPR protection from the part of E-Commerce Platforms-**

**7.1.** The E-Commerce Platforms shall ensure that no product listings, catalogues, or other content uploaded by any third-party designer or company on the platform infringe upon the intellectual property rights of the Label Designer.

**7.2.** The Platforms are obligated to actively monitor and prevent the sale or distribution of counterfeit, imitation, or derivative products that may violate the Intellectual Property Rights of the Label Designer.

**7.3.** The E-Commerce Platforms shall implement reasonable measures to identify and remove any listings or products that infringe upon the Label Designer's intellectual property, including but not limited to design duplication, counterfeit goods, trademark violations and products bearing unauthorized reproductions of the designer's works.

**8. Incident Reporting Mechanism**

**8.1.** In the event that an infringement is identified, the E-Commerce Platforms shall take immediate action to remove the infringing content and notify the Label Designer of the incident. Additionally, the E-Commerce Platform shall, within 24 hours of the detection of the incident, provide a detailed report of the infringement via electronic mail providing details including but not limited to the identity of the individual/business/Corporation responsible for the infringement, the period for which the products infringing the Intellectual Property have been on sale on their platform, value of such Products that have been sold and the number and value of goods that were available for sale at the time of preparation of the report or the placing of restriction on the sale as the case may be and the measures adopted by the E-Commerce Platform to rectify the situation.

**8.2.** The Platforms shall cooperate fully with the Label Designer in taking any necessary legal or corrective actions to protect their intellectual property.

**8.3.** The E-commerce Platforms shall take down any counterfeit design or product infringing the Intellectual Property Rights of Label Designer from their platform, when informed by the Label designer through registered mail within 2 working days. If E-commerce Platforms find no such infringement with the product listed on their website, the same shall be communicated to Label Designer. If the Label Designer still finds the product to be counterfeit, she has the right to initiate any legal action before the court of law in relevant jurisdiction even against the E-commerce Platforms.

**9. Protection Against Misrepresentation in Marketing Materials-**

**9.1.** The E-Commerce Platforms shall ensure that no marketing materials, advertisements, promotional content, or any form of representation on the platform misrepresent the Label Designer's work through the use of deep fakes, deceptive alterations, or any form of digital manipulation that distorts the original design or creation.

**9.2.** The E-Commerce Platforms have the duty to regularly review and monitor all marketing materials related to the Label Designer's products, ensuring that they accurately represent the original designs and do not employ any altered, misleading, or deceptive visuals.

**9.3.** The E-Commerce Platforms shall take immediate corrective actions if any marketing material is found to misrepresent the designer's work, including removing or updating such content and notifying the Label Designer within 2 working days.

**9.4.** If the Label Designer identifies any marketing material inaccurately representing her work, whether published by the E-Commerce Platform, a vendor, or an agent appointed by the E-Commerce Platform, she shall promptly notify the E-Commerce Platform. Upon receiving such notification, the E-Commerce Platform shall ensure the removal of the inaccurate material within 24 hours.

**9.5.** Any promotional material created by third-party vendors or sellers on the E-Commerce Platforms should receive prior approval from the Label Designer before being published.

**9.6.** In the event that the E-Commerce Platforms or third-party vendors use the designer's original work in a marketing campaign, they should ensure that the work is not

altered, modified, or misrepresented in any way without express written consent from the Label Designer.