

Question1. Legal Principles: 1. According to rule of strict liability, any person who for his own purposes brings on his lands and collects and keeps there anything likely to do mischief if it escapes, must keep it in at his peril, and, if he does not do so, is prima facie answerable for all the damage, irrespective of fault, which is the natural consequence of its escape in respect of the non-natural use of land. 2. A person is liable if he can reasonably foresee that his acts would be likely to injure his neighbour.

Facts: PN was the owner of a gas pipe which passed under the surface of an old railway between Ramnagar and Kotpur. XY was the local council which was responsible for a water pipe which supplied water to a block of flats in the nearby Shining Apartment Complex. A leak developed which was undetected for some time. The water collected at an embankment which housed PN's high pressure gas main. The water caused the embankment to collapse and left the gas main exposed and unsupported. This was a serious and immediate risk and PN took action to avoid the potential danger. They then sought to recover the cost of the remedial works. PN argued that the XY Council was liable for negligence under strict liability.

- (A) The Council is liable under strict liability rule as the damage is not remote as it was possible for the Council to reasonably foresee a leakage which would eventually lead to collapse of the gas main.
- (B) The escape of water as a result of leak is sufficient to make the Council liable.
- (C) The Council is not liable as PN should have been careful in detecting the leak earlier. They cannot shift the blame on the Council.
- (D) The Council is not liable under rule of strict liability for the damage as the Council's use was neither a non- natural nor dangerous use of the land.

Question2. Legal Principles: 1. When the negligent act of two or more person results in the same damage, it is called composite negligence. The liability in such a case is joint and several of the tort-feasers.

2. A person is liable if he can reasonably foresee that his acts would be likely to injure someone.

3. The foreseeability of the type of damage is a pre-requisite of liability.

4. The claimant must prove that harm would not have occurred 'but for' the negligence of the defendant.

Facts: Zara filed a civil suit against five drug manufacturing companies. Zara's mother took synthetic estrogen while pregnant with her. As a result of receiving the drug in-utero, Zara developed cancer as an adult. The drug was manufactured by the Defendants, five major drug companies and by about 195 other companies not named in the suit. The Defendants together produced 90% of the drug. Zara is unable to identify which company produced the actual drug her mother took. Decide whether the Defendants only can be held liable for Zara's cancer.

(A) No, as the industry responsible for the production of this drug is large, so holding only the defendants responsible is not correct.

(B) Yes, as defendants joins a substantial share of the manufactures into the lawsuit, the chances of the actual tort-feasor escaping liability is greatly reduced.

(C) No, as defendants can be made liable if he can reasonably foresee that his acts would be likely to injure someone.

(D) No, Zara is not entitled to any damages as the drugs her mother was administered were needed at that time and her mother had taken the medicines voluntarily. Zara developed cancer after so many years and she must prove that harm would not have occurred 'but for' the negligence of the defendants.

Question3. Legal Principles: 1. Any intentional false communication, either written or spoken, that harms a person's reputation; decreases the respect, regard, or confidence in which a person is held; or induces disparaging, hostile, or disagreeable opinions or feelings against a person.

2. The statement must tend to lower the claimant in the estimation of right-thinking members of society.

3. A mere vulgar abuse is not defamation.

4. Defamation encompasses both written statements, known as libel, and spoken statements, called slander.

A public official or public figure can recover damages for defamation on a matter of public concern only if he proves that the speaker acted with actual malice. ✓

Facts: In 2018, a police officer, Suresh Singh, shot and killed Dayal. After the officer was convicted of culpable homicide not amounting to murder, Dayal's family retained a lawyer, Kaushal, to represent them in civil litigation against the officer. In a magazine called Indian Opinion, the Anti-Communist Society accused Kaushal of being a "Naxalite" and a "Communist-fronter" because he chose to represent clients who were suing a law enforcement officer. Because the statements contained serious inaccuracies, Kaushal filed a libel action against the editors of the magazine. Decide whether he will succeed.

(A) No, as it is mere vulgar abuse.

(B) The statement may be defamatory but the editors of the magazine are not liable unless Kaushal is able to establish actual malice in making the statement.

(C) No, as the statement does not tend to lower Kaushal in the estimation of right-thinking members of society and print media is known for such type of journalism.

✓ (D) Yes, as statement is defamatory and Kaushal is not required to establish actual malice to successfully bring a claim of defamation.

Question4. Legal principle: A contract may, in some circumstances, be discharged by a breach of contract. Where there exists a breach of condition this will enable the innocent party the right to repudiate the contract (bring the contract to an end) in addition to claiming damages.

Facts: In April, Sagar Tour & Travels agreed to employ Hiten as his courier for three months from 1 June 2020, to go on a trip around the European continent. On 11 May, Sagar Tour & Travels wrote to say that Hiten was no longer needed. On 22 May, Hiten sued Sagar Tour & Travels for breach of contract. Sagar Tour & Travels argued that Hiten was still under an obligation to stay ready and willing to perform till the day when performance was due, and therefore could commence no action before June 1, 2020.

- (A) A breach of contract by renouncing the duty to perform the future obligation does not render the party liable immediately to a suit of action for damages by the injured party.
- (B) The renunciation of a contract of future conduct by one party immediately dissolves the obligation of the other party to perform the contract.
- (C) Hiten has suffered no harm and the offer can be revoked anytime before June 1, 2020 so he cannot claim any damages.
- (D) A contract for future conduct do not constitutes an implied promise that, in the meantime, neither party will prejudice the performance of that promise.

Question5. Legal Principle: An agreement between two private parties that creates mutual legal obligations. A contract can be either oral or written.

Facts: Mr. Ram and Mr. Rahim were work colleagues who had an arrangement regarding shared lifts to work. Rahim would drive his motorbike and Ram would ride pillion in return for a weekly sum of money. Unfortunately both were killed in a road traffic accident and the wife of Mr. Ram made a claim for damages against the estate of Mr. Rahim. However Rahim's insurance policy did not cover pillion passengers and as his estate had no assets or money to satisfy the judgment, Mrs. Ram pursued the Motor Insurance Bureau (MIB). The MIB have an agreement whereby accidents and consequential claims would be satisfied by the Government in circumstances where the driver has no relevant policy of insurance. However the rules covering this situation require Mr. Ram was carried for "hire or reward". Mrs. Ram argues that there was a contract in place between Ram and Rahim for the lifts to work. Decide whether there was a contract so as to make Mrs. Ram eligible for claim from MIB.

- (A) Notwithstanding the regular payment of money in return for the lift, it was not a legal obligation as to create a contract. There were no terms as to how long this was to last, what would happen in default of payment or the availability of transport, or anything written down so as to at least make their intention clear.
- (B) Yes, there was clearly an offer of transport and this was accepted. In addition, the consideration exchanged by the parties was the service of transport and the money paid by Ram.
- (C) Yes, the practice of agreements between colleagues sharing a lift to work (or "car-pooling") is an accepted and wide spread practice. Parties will usually agree that one will take their car and in return the others will make a contribution towards the petrol costs.
- (D))No, unless the wife of Ram can show that the accident happened due to rash and negligent driving of Rahim.

Question6. Legal Principles: 1. Offer is a proposal made by one person to another to do an act or abstain from doing it. The person who makes the offer is known as the promisor or offeror and the person to whom an offer is made is known as the promisee or the offeree. 2. A contract comes into being by the acceptance of an offer. When the person to whom the offer is made signifies his consent thereto, the proposal is said to be accepted and the parties are at consensus ad idem regarding the terms of the agreement.

Facts: Mr. Kumar visited the Holiday Bliss Hotel. He had not made an in advance booking and upon arrival requested a room for the night. He signed the register and there was no mention at that stage of any other terms or conditions that might impact upon his stay at the hotel. During the course of his stay Mr. Kumar discovered that someone had broken into his room and stolen certain property including a coat. Kumar filed a case of negligence on the Hotel administration. Nevertheless, the Hotel sought to rely upon an exclusion clause that was placed in the bedroom the claimant stayed in. This stated that the hotel would not accept liability for lost or stolen items belonging to customers. Decide whether the exclusion clause that was displayed in the bedroom constituted a valid term of the contract.

- (A) The contract was made when Kumar signed the register at the reception and so the acceptance of the offer mean acceptance of all the terms of the offer.
- (B) There is a valid contract between Kumar and Hotel and the Hotel has taken reasonable steps to bring exclusion clause to Kumar's attention in the room.
- (C) Terms must be brought to the attention of the customer, consumer or party against whom they are trying to be enforced at the moment the contract was entered into. Kumar was not given notice of this exclusion clause until he had already entered into the contract and therefore it was unenforceable against him.
- (D) Though the terms must be brought to the attention of the customer, consumer or party against whom they are trying to be enforced at the moment the contract was entered into. But, such type of clauses are generally part of all contracts and customers should be aware of such exclusion of liability clauses.

Question7. Legal Principles: 1. Offer is a proposal made by one person to another to do an act or abstain from doing it. The person who makes the offer is known as the promisor or offeror and the person to whom an offer is made is known as the promisee or the offeree.

2. A contract comes into being by the acceptance of an offer. When the person to whom the offer is made signifies his consent thereto, the proposal is said to be accepted and the parties are at consensus ad idem regarding the terms of the agreement.

Facts: Mr. Kumar visited the Holiday Bliss Hotel. He had not made an in advance booking and upon arrival requested a room for the night. He signed the register and there was no mention at that stage of any other terms or conditions that might impact upon his stay at the hotel. During the course of his stay Mr. Kumar discovered that someone had broken into his room and stolen certain property including a coat. Kumar filed a case of negligence on the Hotel administration. Nevertheless, the Hotel sought to rely upon an exclusion clause that was placed in the bedroom the claimant stayed in. This stated that the hotel would not accept liability for lost or stolen items belonging to customers. Decide whether the exclusion clause that was displayed in the bedroom constituted a valid term of the contract.

- (A) The contract was made when Kumar signed the register at the reception and so the acceptance of the offer mean acceptance of all the terms of the offer.
- (B) There is a valid contract between Kumar and Hotel and the Hotel has taken reasonable steps to bring exclusion clause to Kumar's attention in the room.
- (C) Terms must be brought to the attention of the customer, consumer or party against whom they are trying to be enforced at the moment the contract was entered into. Kumar was not given notice of this exclusion clause until he had already entered into the contract and therefore it was unenforceable against him.
- (D) Though the terms must be brought to the attention of the customer, consumer or party against whom they are trying to be enforced at the moment the contract was entered into. But, such type of clauses are generally part of all contracts and customers should be aware of such exclusion of liability clauses.

Question8. Legal Principles: 1. When one person signify to another person his willingness to do or not do something (abstain) with a view to obtain the assent of such person to such an act or abstinence, he is said to make a proposal or an offer.

2. The communication of the offer is complete when it comes to the knowledge of the person to whom it is made.

3. Communication of acceptance is complete when it is put in the course of transmission to him as to be out of the power of the acceptor to withdraw the same and when it comes to the knowledge of the proposer.

4. In case of the proposer, the communication of the acceptance is complete when he puts such acceptance in the course of transmission.

5. The communication in case of the acceptor is complete when the proposer acquires knowledge of such acceptance.

6. An offer may be revoked at any time before the communication of its acceptance is complete as against the proposer, but not afterwards.

Facts: G offered to sell the L fleeces of wool for a certain price. G requested that the response be made by post. This letter was misdirected by G so that it was not received for 3 days after it was sent. L decided to accept the offer and responded on the same day. This was posted on the 5th July but not received until the 9th July. However, G decided on the 8th July that as he had not received a response so decided to sell the wool to someone else. But L argued that a contract had been created as he had accepted their offer. Decide.

(A) No contract was formed as L accepted the offer even before he received the offer by post.

Contract will be entered upon when L had received the offer and then written to him saying that the terms were agreed.

(B) The contract was entered on the 9th July when the acceptance was received by G.

(C) G is free to withdraw his offer before 9th July.

(D) The contract was entered on the 5th September when the acceptance was posted, not when it was received.

Question9. Legal Principles: 1. In order to convert a proposal into a promise the acceptance must be absolute and unqualified.

2. Acceptance must be expressed in some usual and reasonable manner, unless the proposal prescribes the manner in which it is to be accepted. If the proposal prescribes a manner in which it is to be accepted, and the acceptance is not made in such manner, the proposer may, within a reasonable time after the acceptance is communicated to him, insist that his proposal shall be accepted in the prescribed manner, and not otherwise; but, if he fails to do so, he accepts the acceptance.

Facts: TUV's employee performing installation on Motorola's premises was injured due to the negligence of Motorola employees. TUV had executed a purchase order that contained an indemnity form. First purchase order contained indemnity provision which narrowly applied to damages caused by the negligence of TUV's employees. It attached a broader indemnity form page which would make TUV also responsible for the negligence of Motorola employees in connection with the work. This page was marked VOID. Amendment 2 to Purchase order contained same provision and attached same additional indemnity form which this time was not marked VOID. But also contained the additional language that "acceptance should be executed on acknowledgement copy which should be returned to the buyer." Employee was injured several months before the acknowledgement copy of the second purchase order was executed, but was in the course of performing work related to the second purchase order. Decide whether TUV liable under the broader indemnity provision.

(A) TUV is liable as workers have sustained injury during the course of their employment even though TUV has not accepted the amended purchase order as it did not execute the acknowledgement.

(B) Motorola's amendment gave a suggested mode of acceptance which did not preclude TUV's acceptance by another method. TUV accepted when TUV undertook performance of the work called for by the amendment with the "consent and acquiescence" of Motorola.

(C) TUV is not liable under the broader indemnity provision as it did not execute the acknowledgement copy until several months after the employee sustained his injury.

(D) TUV is not liable as commencement of work was acceptance to the first purchase order in which the broader indemnity provision was marked as void.

Question10. Legal Principles: 1. A contract can become void when: It is unfairly one-sided; it goes against public policy; its subject matter is illegal; it is impossible to perform; it unfairly restricts one side's actions (such as the right to work); one of the parties is not legally competent to enter into a binding contract.

2. A contract is void as against public policy if:

(1) it is a contract by the defendant to pay the plaintiff for inducing a public official to act in a certain manner;

(2) it is a contract to do an illegal act; or

(3) it is a contract that contemplates collusive bidding on a public contract.

Facts: BR Industries, a company manufacturing drills, machine parts and components thereof and a purchaser of subcontract work from other suppliers, won the bid from the HLK Company to supply certain parts to it at a specified price. BR industries then contracted with SU Co. to supply the parts under the contract for a much lower price. BR Industries then intended to keep the difference between the amount it billed the HLK Company and the amount SU Co. charged for the parts. BR Industries initiated an action for breach of contract when SU Co. failed to complete the order. In its defense, SU Co. asserts that the contract is void as against public policy because Defendant turned a profit of 84.09% on anvils, 39.13% on holder primers and 68.33% on plunger supports. Did plaintiff receive too much compensation deeming it unconscionable and against public policy?

(A) The contract is void as against public policy as it is a contract that contemplates collusive bidding on a public contract.

(B) The Contract is void as it unfairly one sided.

(C) Relative values of the consideration in a contract between business men at "arms-length" without fraud will not affect the validity of the contract.

(D) Relative values of the consideration in a contract between business men will affect the validity of the contract as it amounts to abuse of dominance and unconscionable.

Question11. Legal Principles: 1. Offer is a proposal made by one person to another to do an act or abstain from doing it. The person who makes the offer is known as the promisor or offeror and the person to whom an offer is made is known as the promisee or the offeree.

2. A contract comes into being by the acceptance of an offer. When the person to whom the offer is made signifies his consent thereto, the proposal is said to be accepted and the parties are at consensus ad idem regarding the terms of the agreement.

Facts: In Dec. 2019, a convicted murderer who was sentenced to death escaped from the custody of Ramesh, a prison official. Ramesh later offered a reward of INR 50,000 to anyone who captured the fugitive and returned him to the authorities. In Jan. 2020, without knowledge or notice of the reward, Sunil captured the fugitive and took him to Ramesh's jail house. Ramesh refused Sunil's demands for the reward money. Sunil filed a case against Ramesh to recover the reward. Ramesh alleges that there is no contract between Ramesh and Sunil.

- (A) A mere offer or promise to pay did not give rise to a contract. Rather, the assent or meeting of two minds gave rise to a contract, and therefore it was not complete until the offer was accepted. Having notice or knowledge of the existence of the reward when he captured the fugitive is essential to his right to recover the reward offered by Ramesh.
- (B) The act of capturing the fugitive was acceptance of the offer of reward through conduct and so a valid contract is entered upon.
- (C) There was an offer by Ramesh and acceptance by Sunil and it is immaterial whether Sunil had notice or knowledge of the existence of the reward when he captured the fugitive.
- (D) Such an offer, like the reward here, could be accepted by anyone who performs the service called for, when the acceptor knows that it has been made and acts in performance of it.

Passage:

On 7th May 2020, a major leakage of Styrene gas was reported from the plastics manufacturing plant 'LG Polymers' located on the outskirts of the Visakhapatnam city. The accident took place when the cooling system of a polymers plant got clogged due to the mismanagement of factory workers and resulted in turning the city into a gas chamber. The gas which leaked was styrene gas, which is a hazardous chemical 'under Rule 2(e) plus Entry 583 of Schedule I of the Manufacture, Storage and Import of Hazardous Chemical Rules 1989.

Principle 1: Polluter Pays Principle

The 'Doctrine of Polluter Pays' is a well-established principle of environmental law, which places an obligation of compensating the damage to the people who ought to reimburse it and also have the capacity to disburse it. The principle explicitly affirms that the person who damages or destructs the environment has the absolute obligation to bear the cost of meliorating the environment. In *Enviro Legal Action v. Union of India* case, the Apex Court of India held that the polluter is legally responsible to reimburse the individual sufferers as well as pay for the revitalization of the damaged environment.


Principle 2: Principle of Strict Liability

The principle of Strict Liability was established in the year 1868 in the case of *Rylands v. Fletcher*, where the Court held that any person who uses his/her land in an 'unnatural manner' and who keeps any 'hazardous substance' on such premises would be held liable under the principle of strict liability for any 'damage' occurred on the 'escape' of such perilous substance. However, the person is liable only when there is non-natural use of land; the principle also restricts liability when the escape is due to an act of strangers, Act of God, for example a natural calamity; due to the person injured or when it happens with the consent of the person injured or with statutory authority.

Principle 3: Principle of Absolute Liability

The absolute liability is a stringent form of Strict Liability as it is devoid of any exceptions that were mentioned under the earlier principle. for the first time in the case of M.C. Mehta v. Union of India. This principle implies that whenever an enterprise is engaged in any dangerous or hazardous activity that threatens the people working in the enterprise and those living nearby, it owes an absolute and non-delegable duty to the community that no harm will be caused. If harm is indeed caused, the enterprise will have to compensate for damages, and can't use exceptions provided in the case of strict liability. The enterprise can't claim that the harm has not been caused due to negligence (absence of due care) or that it had taken all reasonable precautions.

Question 12: Under which of the following principles, will the company LG Polymers be liable?

- A. Polluter Pays Principle
- B. ~~Strict Liability~~
- C. Absolute Liability 
- D. All of the above

Question 13: As per the ~~Polluter Pays Principle~~, LG Polymers will be liable to pay:

- a) Amount of money for restoration of environment only.
- b) Amount of money for restoration of environment and compensation to individuals who suffered the loss.
- c) Compensation to the victims
- d) None of the above

Question 14: A company ABC limited operates an industrial chemical plant in the city of Azadnagar. Due to an earthquake on July 22, 2020, the valves of the reactors in the plant get damaged due to which the operators could not properly transport the hazardous gas for chemical vaporisation, resulting in the gas leakage. The gas leakage resulted in the death of 12 workers of the plant and also some people living nearby the plant. In this situation, in order to decipher the liability of ABC limited, choose the best option:

- a) ~~ABC Limited can be held under the principles of Strict and Absolute Liability and Polluter Pays Principle as well.~~
- b) ABC Limited can be held under the Polluter pays principle and the Principle of Absolute Liability, but can be exempted under the rule of strict liability.
- c) ABC Limited will not be held liable under any of the principles.
- d) ABC Limited will be held liable under strict and absolute liability principles but the Principles of "Polluter Pays" will not be applicable to this situation.

Question 15: The argument of LG Polymers that, they did not know that the Styrene Gas could leak:

- a) ~~Is a strong argument and can reduce their liability under the Polluter Pays Principle.~~
- b) ~~Is a strong argument and can reduce their liability under the strict liability principle~~
- c) Is a weak argument and will not help in reducing the liability of LG Polymers under any of the principles
- d) Is a weak argument but may help in reducing their liability under the Strict Liability Principle.

Answers

- 1) D
- 2) B
- 3) D
- 4) D
- 5) A
- 6) C
- 7) C
- 8) D
- 9) B
- 10) C
- 11) A
- 12) D
- 13) B
- 14) B
- 15) C