



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**INTELLECTUAL PROPERTY
ACT, No. 36 OF 2003**

[Certified on 12th November, 2003]

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L.D.—O. 54/2002.

AN ACT TO PROVIDE FOR THE LAW RELATING TO INTELLECTUAL PROPERTY AND FOR AN EFFICIENT PROCEDURE FOR THE REGISTRATION, CONTROL AND ADMINISTRATION THERE OF ; TO AMEND THE CUSTOMS ORDINANCE (CHAPTER 235) AND THE HIGH COURT OF THE PROVINCES (SPECIAL) PROVISIONS ACT, No. 10 OF 1996 ; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

1. This Act may be cited as the Intellectual Property Act, No. 36 of 2003. Short title.

PART I

ADMINISTRATION

2. (1) There shall be a person to be or to act as the Director-General of Intellectual Property of Sri Lanka (hereinafter referred to as the “Director-General”). Appointment and powers of the Director-General.

(2) The Director-General shall—

- (a) be vested with the power of implementation of the provisions of this Act, the control and superintendence of the registration and administration of Industrial Designs, Patents, Marks and of any other matter as provided by the Act, and the supervision and control of all persons appointed for, or engaged in, the implementation of the provisions of this Act ; and
- (b) take all necessary steps to promote and encourage national awareness of the subject of Intellectual Property including copyright and related rights by organisation of exhibitions, contests, seminars and publications and by promoting and encouraging the establishment and proper functioning of organisations or societies to protect and administer copyright and related rights under Part II of the Act.

(3) The Director-General shall comply with the general policy of the government with respect to subject of intellectual property and with any general or special directions issued by the Minister in relation to such policy.

Director and
Deputy Directors.

3. (1) There may from time to time be appointed a fit and proper person or persons, to be or to act as Director of Intellectual Property and such other Deputy Directors for the proper implementation and administration of the provisions of this Act.

(2) Any person so appointed may exercise, perform and discharge any power, duty or function expressly conferred or imposed upon the Director or the Deputy directors, as the case may be, and may, subject to the directions of the Minister and under the authority and control of the Director-General, exercise, perform and discharge any powder, duty or function conferred or imposed upon the Director-General by or under this Act.

(3) There shall be appointed such other officers and servants as may be necessary for the administration of the Act.

Office and
maintenance of
registers.

4. (1) There shall be an office called the National Intellectual Property Office of Sri Lanka (hereinafter referred to as the "Office"). Such office shall be the sole office in Sri Lanka for the registration and administration of Industrial designs, patents, marks and any other matter as provided by the Act.

(2) All registers required to be kept and maintained under the provisions of this Act shall be kept and maintained under the supervision of the Director-General at the Office and such registers shall be the only legally recognized registers in Sri Lanka for the registration of industrial designs, patents, marks and any other matter as provided by the Act.

PART II

CHAPTER I

COPYRIGHT

5. For the purposes of this Part—

Interpretation.

“audiovisual work” means a work that consists of a series of related images which impart the impression of motion, with or without accompanying sounds, susceptible of being made visible, and where accompanied by sounds susceptible of being made audible ;

“author” means the physical person who has created the work ;

“broadcasting” means the communication of a work, a performance or a sound recording to the public by wireless transmission, including transmission by satellite ;

“collective work” means a work created by two or more physical persons at the initiative and under the direction of a physical person or legal entity, with the understanding that it will be disclosed by the latter person or entity under his or its own name and that the identity of the contributing physical persons will not be indicated ;

“communication to the public” means the transmission to the public by wire or without wire of the images or sounds, or both, of a work, a performance or a sound recording including the making available to the public of a work, performance or sound recording in such a way that members of the public may access them from a place and at a time individually chosen by them ;

“computer” means an electronic or similar device having information processing capabilities ;

“computer program” is a set of instructions expressed in words, codes, schemes or in any other form, which is capable, when incorporated in a medium that the computer can read, of causing a computer to perform or achieve a particular task or result ;

“economic rights” means the rights referred to in section 9 ;

“expression of folklore” means a group oriented and tradition based creation of groups or individuals reflecting the expectation of the community as an adequate expression of its cultural and social identity, its standards and values as transmitted orally, by imitation or by other means, including :

- (a) folktales, folk poetry, and folk riddles ;
- (b) folk songs and instrumental folk music ;
- (c) folk dances and folk plays ;
- (d) productions of folk arts in particular, drawings, paintings, carvings, sculptures, pottery, terracotta, mosaic, woodwork, metalware, jewellery, handicrafts, costumes, and indigenous textiles ;

“infringement” means an act that violated any right protected under this Part ;

“moral rights” means rights referred to in section 10 ;

“performers” means singers, musicians, and other persons who sing, deliver, declaim, play in, or otherwise perform, literary or artistic works or expressions of folklore ;

“photographic work” means the recording of light or other radiation on any medium on which an image is produced or from which an image may be produced, irrespective of the technique (chemical, electronic or other) by which such recording is made, a still picture extracted from an audiovisual work shall not be considered a “photographic work” but a part of the audiovisual work concerned ;

“producer” of an audiovisual work or a sound recording means the physical person or legal entity that undertakes the initiative and responsibility for the making of the audiovisual work or sound recording ;

“public display” means the showing of the original or a copy of a work—

- (a) directly ;
- (b) by means of a film, slide, television image or otherwise on screen ;
- (c) by means of any other device or process ; or
- (d) in the case of an audiovisual work, the showing of individual images nonsequentially at a place or places where persons outside the normal circle of a family and its closest social acquaintances are or can be present, irrespective of whether they are or can be present at the same place and time or at different places or times, and where the work can be displayed without communication to the public within the meaning of the definition of the expression “Communication to the Public”;

“public lending” means the transfer of the possession of the original or a copy of a work or a sound recording for a limited period of time for non-profit making purposes, by an institution, the services of which are available to the public, such as a public library or archives ;

“public performance” means—

- (a) in the case of a work other than an audiovisual work, the recitation, playing, dancing, acting or otherwise performing the work in public either directly or by means of any device or process ;
- (b) in the case of an audiovisual work, the showing of images in sequence or the making of accompanying sound audible in public ; and
- (c) in the case of a sound recording, making the recording sounds audible at a place or at places where persons outside the normal circle of the family and its closest acquaintances are or can be present, irrespective of whether they are or can be present at the same place and time, or at different places or times, and where the performance can be perceived without the need for communication to the public within the meaning of the definition of the expression “communication to the public” ;

“published” means a work or a sound recording—

- (a) copies of which have been made available to the public in a reasonable quantity for sale, rental, public lending or for transfer of the ownership or the possession of the copies ;
or
- (b) which has been made available to the public by means of an electronic system :

Provided that, in the case of a work, the making available to the public took place with the consent of the owner of the copyright, and in the case of a sound recording, with the consent of, the producer of the sound recording or his successor in title ;

“rental” means the transfer of the possession of the original or a copy of a work or sound recording for a limited period of time for profit making purposes ;

“reproduction” means the making of one or more copies of a work or sound recording in any material form, including any permanent or temporary storage of a work or sound recording in electronic form ;

“sound recording” means any exclusively aural fixation of the sounds of a performance or of other sounds, regardless of the method by which the sounds are fixed or the medium in which the sounds are embodied ; it does not include a fixation of sounds and images, such as the sounds incorporated in an audiovisual work ;

“work” means any literary, artistic or scientific work referred to in section 6 ;

“work of applied art” means an artistic creation with utilitarian functions or incorporated in a useful article, whether made by hand or produced on an industrial scale ;

“work of joint authorship” means a work to the creation of which two or more authors have contributed, provided the work does not qualify as “a collective work”.

6. (1) The following works shall be protected as literary, artistic or scientific work (hereinafter referred to as “works”) which are original intellectual creations in the literary, artistic and scientific domain, including and in particular—

Works protected.

- (a) books, pamphlets, articles, computer programs and other writings ;
- (b) speeches, lectures, addresses, sermons and other oral works ;

- (c) dramatic, dramatic-musical works, pantomimes, choreographic works and other works created for stage productions ;
- (d) stage production of works specified in paragraph (c) and expressions of folklore that are apt for such productions ;
- (e) musical works, with or without accompanying words ;
- (f) audiovisual works ;
- (g) works of architecture ;
- (h) works of drawing, painting, sculpture, engraving, litho-graphy, tapestry and other works of fine art ;
- (j) photographic works ;
- (k) works of applied art ;
- (l) illustrations, maps, plans, sketches and three dimensional works relative to geography, topography, architecture or science.

(2) The works specified in subsection (1) of this section shall be protected by the sole fact of their creation and irrespective of their mode or form of expression, as well as of their content, quality and purpose.

Derivative works.

7. (1) The following shall also be protected as works :—

- (a) translations, adaptations, arrangements and other transformations or modifications of works ; and
- (b) collections of works and collections of mere data (data bases), whether in machine readable or other form, provided that such collections are original by reason of the selection, co-ordination or arrangement of their contents.

(2) The protection of any work referred to in subsection (1) shall be without prejudice to any protection of a pre-existing work incorporated in, or utilized for, the making of such a work.

8. Notwithstanding the provisions of sections 6 and 7, no protection shall be extended under this Part —

Works not protected.

- (a) to any idea, procedure, system, method of operation, concept, principle, discovery or mere data, even if expressed, described, explained, illustrated or embodied in a work ;
- (b) to any official text of a legislative, administrative or legal nature, as well as any official translation thereof ;
- (c) to news of the day published, broadcast, or publicly communicated by any other means.

9. (1) Subject to the provisions of sections 11 to 13 the owner of copyright of a work shall have the exclusive right to carry out or to authorize the following acts in relation to the work —

Economic rights.

- (a) reproduction of the work ;
- (b) translation of the work ;
- (c) adaptation, arrangement or other transformation of the work ;
- (d) the public distribution of the original and each copy of the work by sale, rental, export or otherwise ;
- (e) rental of the original or a copy of an audiovisual work, a work embodied in a sound recording, a computer program, a data base or a musical work in the form of notation, irrespective of the ownership of the original or copy concerned ;

- (f) importation of copies of the work, (even where the imported copies were made with the authorization of the owner of the copyright) ;
- (g) public display of the original or a copy of the work ;
- (h) public performance of the work ;
- (j) broadcasting of the work ; and
- (k) other communication to the public of the work.

(2) The provisions of subsection (1) of this section shall apply to both the entire work and a substantial part thereof.

(3) The rights of rental in terms of paragraph (e) of subsection (1) shall not apply to rental of computer programs where the program itself is not the essential object of the rental.

(4) Notwithstanding the provisions of paragraph (d) of subsection (1), the owner of a work or a copy of a work lawfully made or any person authorized in that behalf by such owner, is entitled without the authority of the owner of the copyright, to sell or otherwise dispose of that copy.

Moral Rights.

10. (1) The author of a work shall independently of his economic rights and even where he is no longer the owner of those economic rights, have the following rights :—

- (a) to have his name indicated prominently on the copies and in connection with any public use of his work, as far as practicable ;
- (b) the right to use a pseudonym and not have his name indicated on the copies and in connection with any public use of his work ;
- (c) to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, his work which would be prejudicial to his honour or reputation.

(2) No right mentioned in subsection (1) shall be transmissible during the life time of the author, however on the death of the author, the right to exercise any of those rights shall be transmissible by testamentary disposition or by operation of law.

(3) The author may waive any of the moral rights mentioned in subsection (1), provided that such a waiver is in writing and clearly specifies the right or rights waived and the circumstances to which the waiver applies :

Provided that where any waiver of the rights under paragraph (c) of subsection (1) specifies the nature and extent of the modification or other action in respect of which the right is waived, subsequent to the death of the author, the physical person or legal entity upon whom or which the moral rights have devolved shall have the right to waive the said rights.

11. (1) Notwithstanding the provisions of subsection (1) of section 9, the fair use of a work, including such use by reproduction in copies or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship or research, shall not be an infringement of copyright.

Fair use.

(2) The following factors shall be considered in determining whether the use made of a work in any particular case is fair use :—

- (a) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes ;
- (b) the nature of the copyrighted work ;
- (c) the amount and substantiality of the portion used in relation to the copyrighted work as a whole ; and
- (d) the effect of the use upon the potential market for, or value of, the copyrighted work.

(3) The acts of fair use shall include the circumstances specified in section 12.

Act of fair use.

12. (1) Notwithstanding anything contained in paragraph (a) of subsection (1) of section 9 and subject to the provisions of subsection (2) of this section, the private reproduction of a published work in a single copy shall be permitted without the authorization of the owner of the copyright, where the reproduction is made by a physical person from a lawful copy of such work exclusively for his own personal purposes.

(2) The permission under subsection (1) of this section shall not be extended to the reproduction—

- (a) of a work of architecture in the form of a building or other constructions ;
- (b) in the form of reprography of the whole or a substantial part of a book or of a musical work in the form of notations ;
- (c) of the whole or a substantial part of a data base ;
- (d) of a computer program, except as provided in subsection (7) ; and
- (e) of any work, in case the reproduction would conflict with a normal exploitation of the work or would otherwise unreasonably prejudice the legitimate interests of the owner of the copyright.

(3) Notwithstanding the provisions of paragraph (a) of subsection (1) of section 9, the reproduction, in the form of a quotation, of a short part of a published work shall be permitted without authorization of the owner of copyright :

Provided that the reproduction is compatible with fair practice and does not exceed the extent justified by the purpose of such reproduction. The quotation shall be accompanied by an indication of the source and the name of the author, if his name appears in the work from which the quotation is taken.

(4) Notwithstanding the provisions of paragraph (a) of subsection (1) of section 9, the following acts shall be permitted without the authorization of the owner of the copyright :—

- (a) the reproduction of a short part of a published work for teaching purposes by way of illustration, in writing or sound or visual recordings, provided that the reproduction is compatible with fair practice and does not exceed the extent justified by the purpose of such reproduction;
- (b) the reprographic reproduction for face to face teaching in any educational institution the activities of which do not serve direct or indirect commercial gain, of published articles, other short works or short extracts of works, to the extent justified by the purpose, provided that the act of reproduction is an isolated one occurring, if repeated, on separate and unrelated occasions :

Provided however the source of the work reproduced and the name of the author shall be indicated as far as practicable on all copies made under this subsection.

(5) Notwithstanding the provisions of paragraph (a) of subsection (1) of section 9, any library or archives, whose activities do not serve any direct or indirect commercial gain may, without the authorization of the owner of copyright, make a single copy of the work by reprographic reproduction—

- (a) where the work reproduced is a published article, other short work or short extract of a work, and where the purpose of the reproduction is to satisfy the request of a physical person :

Provided that—

- (i) the library or archives is satisfied that the copy will be used solely for the purposes of study, scholarship or private research,

- (ii) the act of reproduction is an isolated occurrence, occurring if repeated, on separate and unrelated occasions ;
- (b) where the copy is made in order to preserve and, if necessary replace a copy, or to replace a copy which has been lost, destroyed or rendered unusable in the permanent collection of another similar library or archives :

Provided that it is not possible to obtain such a copy under reasonable conditions ; and

Provided further, that the act of reprographic reproduction is an isolated occurrence occurring if repeated, on separate and unrelated occasions.

(6) Notwithstanding the provisions of paragraphs (a), (h) and (j) of subsection (1) of section 9, and subject to the condition that the source and the name of the author is indicated as far as practicable, the following acts shall be permitted in respect of a work without the authorization of the owner of copyright—

- (a) the reproduction in a newspaper or periodical, manner of broadcasting or other manner of communication to the public, of an article published in a newspaper or periodical on current economic, political or religious topics or a broadcast or communication relating to the same, and such permission shall not apply where the right to authorize reproduction, broadcasting or other communication to the public is expressly reserved on the copies, by the owner of copyright, or in connection with broadcasting or other communication to the public of the work ;
- (b) for the purpose of reporting current events, the reproduction and the broadcasting or other communication to the public of short excerpts of a

work seen or heard in the course of such events, to the extent that it is justified by the purpose of such reproduction;

- (c) the reproduction in a newspaper or periodical, broadcasting or other manner of communication to the public, of a political speech, a lecture, address, sermon or other work of a similar nature delivered in public, or a speech delivered during legal proceedings, to the extent that it is justified by reason of the fact of providing current information.

(7) (a) Notwithstanding anything contained in paragraphs (a) and (c) of subsection (1) of section 9, reproduction in a single copy or the adaptation of a computer program by the lawful owner of a copy of that computer program, shall be permitted without the authorization of the owner of copyright provided that the copy or adaptation is necessary—

- (i) for use of the computer program with a computer for the purpose and extent for which the computer program has been obtained ;
- (ii) for archival purposes and for replacement of the lawfully owned copy of the computer program in the event that the said copy of the computer program is lost, destroyed or rendered unusable.

(b) No copy or adaptation of a computer program shall be used for any purpose other than those specified in paragraph (a), and any such copy or adaptation shall be destroyed in the event that continued possession of the copy of the computer program ceases to be lawful.

(8) Notwithstanding the provisions of paragraph (f) of subsection (1) of section 9, the importation of a copy of a work by a physical person for his own personal purposes shall be permitted without the authorization of the owner of copyright.

(9) Notwithstanding anything contained in paragraph (g) of subsection (1) of section 9, the public display of originals or copies of works shall be permitted without the authorization of the owner of copyright :

Provided that the display is made other than by means of a film, slide, television image or otherwise on screen or by means of any other device or process :

Provided further, the work has been published or the original or the copy displayed has been sold, given away or otherwise transferred to another person by the author or his successor in title.

(10) Notwithstanding anything contained in this Part, the following shall not be an infringement of copyright :-

- (a) the performance or display of a work for educational or teaching purposes by government or non profit educational institutions, in classrooms or similar places set aside for education :

Provided that, in the case of an audiovisual work, the performance or the display of individual images, is given by means of a lawfully made copy, or the person responsible for the performance did not know or had no reason to believe that the copy was not lawfully made.

- (b) the communication of a transmission embodying a performance or display of a work by the public reception of the transmission on a single receiving apparatus, of a kind commonly used in private homes, unless –
- (i) a direct charge is made to see or hear the transmission ; or
- (ii) the transmission thus received is further transmitted to the public.

13. (1) Subject to the provisions of subsections (2), (3), (4) and (5), the economic and moral rights shall be protected during the life time of the author and for a further period of seventy years from the date of his death.

Duration of
copyright.

(2) In the case of a work of joint authorship, the economic and moral rights shall be protected during the life of the last surviving author and for a further period of seventy years from the date of the death of the last surviving author.

(3) In the case of a collective work, other than a work of applied art, and in the case of an audiovisual work, the economic and moral rights shall be protected for seventy years from the date on which the work was first published, or failing publication within seventy years from the making of the work.

(4) In the case of a work published anonymously or under a pseudonym, the economic and moral rights shall be protected for seventy years from the date on which the work was first published :

Provided that, where the author's identity is revealed or is no longer in doubt before the expiration of the said period, the provisions of subsection (1) or subsection (2) shall apply, as the case may require.

(5) In the case of work of applied art, the economic and moral rights shall be protected for twenty-five years from the date of the making of the work.

(6) Every period provided for under the preceding subsections shall run to the end of the calendar year in which it would otherwise expire.

14. (1) Subject to the provisions of subsections (2), (3), (4) and (5), of this section, the author who created the work shall be the original owner of economic rights.

Original
ownership of
economic rights.

(2) In respect of a work of joint authorship, the co-authors shall be the original owners of the economic rights. If, however, a work of joint authorship consists of parts that can be used separately and the author of each part can be identified, the author of each part shall be the original owner of the economic rights in respect of the part that he has created.

(3) In respect of a collective work, the physical person or legal entity at the initiative, and under the direction, of whom or which the work has been created shall be the original owner of the economic rights.

(4) In respect of a work created by an author employed by a physical person or legal entity in the course of his employment, the original owner of the economic rights shall, unless provided otherwise by way of a contract, be the employer. If the work is created pursuant to a commission, the original owner of economic rights shall be, unless otherwise provided in a contract, the person who commissioned the work.

(5) In respect of an audiovisual work, the original owner of the economic rights shall be the producer, unless otherwise provided in a contract. The co-authors of the audiovisual work and the authors of the pre-existing works, included in, or adapted for, the making of the audiovisual work shall, however, maintain their economic rights in their contributions or pre-existing works, respectively, to the extent that those contributions or pre existing works can be the subject of acts covered by their economic rights separately from the audiovisual work.

Presumption of authorship and of representation of the author.

15. (1) The physical person whose name is indicated as the author on a work in the usual manner shall, in the absence of proof to the contrary, be presumed to be the author of the work. The provisions of this section shall be applicable even if the name is a pseudonym, where the pseudonym leaves no doubt as to the identity of the author.

(2) The physical person or legal entity whose name appears on an audio-visual work shall, in the absence of proof to the contrary, be presumed to be the producer of the said work.

16. (1) The owner of a copyright may -

Assignment or
licence of
author's rights.

- (a) grant licence to a physical person or legal entity to carry out all or any of the acts relating to the economic rights referred to in section 9 ;
- (b) assign or transfer in whole or any part of the economic rights referred to in section 9.

(2) Any assignment or transfer of an economic right, and any licence to do such an act subject to authorization by the owner of the copyright, shall be in writing signed by the assignor and the assignee, transferor and the transferee or by the licensor and the licensee, as the case may be.

(3) An assignment or transfer in whole or in part of any economic right, or a licence to do an act subject to authorization by the owner of copyright, shall not include or be deemed to include the assignment or transfer or licence in respect of any other rights not expressly referred to therein.

CHAPTER II

RELATED RIGHTS

[PROTECTION OF RIGHTS OF PERFORMERS, PRODUCERS OF SOUND
RECORDING AND BROADCASTING ORGANIZATION]

17. (1) Subject to the provisions of section 21, a performer shall have exclusive right to carry out or to authorize any of the following acts :—

Rights requiring
authorization of
performers.

- (a) the broadcasting or other communication to the public of his performance or a substantial part thereof, except where the broadcasting, or the other communication—
 - (i) is made from a fixation of the performance, other than a fixation made in terms of section 21 ; or

(11) In this section, the expressions “counterfeit trade mark goods” and “pirated copyright goods” shall have the same meanings as are assigned to them in section 125A.”.

CHAPTER XLII

REPEALS AND SAVINGS

208. (1) The Code of Intellectual Property Act, No. 52 of 1979 (hereinafter referred to as the “Code”) is hereby repealed.

Repeals and savings.

(2) Notwithstanding the repeal of the Code the National Intellectual Property Office of Sri Lanka established under the Code, and the officials appointed under the Code shall continue and shall be deemed to have been established and appointed respectively under this Act.

(3) Notwithstanding the repeal of the Code every regulation made thereunder as in force on the date of commencement of this Act, in so far as such regulation is not inconsistent, with the provisions of this Act shall be deemed to be made under this Act, and such regulations may be amended, rescinded or altered by regulations made under this Act.

(4) Notwithstanding the repeal of the Code—

(a) Every application for registration of an Industrial Design, Patent or Mark made to the Director-General under the provision of the code and pending on the date immediately preceding the date of commencement of this Act, shall be deemed to be an application made to the Director-General under Part III, IV or V respectively of this Act, and shall be dealt with in accordance with the provisions of this Act ;

- (b) any right specified in Part II of this Act, which was granted on the date of coming into operation of the repealed Code shall for all purposes except for the purpose of imposing punishment, continue to be valid and effectual as if herein granted provided that the term of protection previously granted has not expired under the Code or under the laws of the country of origin of such work, performance, sound recording or broadcast that are to be protected under any international treaty to which Sri Lanka is a party ;
- (c) every action, proceeding or other matter relating to Copyright, Industrial Desingns, Patents, Marks and unfair competition pending on the day immediately preceeding the date of the commencement of this Act, shall be deemed to have been instituted under the provision of this Act and shall be continued and proceeded with under the provisions of this Act ;
- (d) nothing in Part III, IV, V or VI of this Act shall affect any order or requirement made, table of fees or certificates issued, notice, decision, determination, direction or approval given, application made, or thing done, under the Code, and every such order, requirement, table of fees, certificate, notice, decision, determination, direction, approval, application or thing shall, if in force on the date immediately preceding the date of commencement of this Act, shall be deemed to have been made under the provisions of this Act and shall continue in force and shall, so far as it could have been made, issued, given or done under this Act have effect as if made, issued, given or done under the corresponding provisions of this Act ;
- (e) all contracts, leases and agreements subsisting on the day immediately preceding the date of commencement of this Act shall be deemed for all purposes to be contracts, leases or agreements made or entered into by or with or for the office, under the provisions of this Act.

- (f) all interests, rights, obligations, debts and liabilities of the office subsisting on the day immediately preceding the date of commencement of this Act, shall be deemed to be the interest, rights, obligations, debts and to liabilities of the office, under the provisions of this Act.

209. The validity of the original entry of a Design on the register of Designs existing on the day immediately preceding the date of commencement of this Act or any register of Designs which was kept under any previous law and was incorporated with and declared to form Part of the Register of Designs, shall be deemed to have been registered under Part III of this Act. Every such Design shall however retain its original date.

Saving of
Designs.

210. The validity of the original entry of a Patent on the register of Patents existing on the day immediately preceding the date of commencement of this Act or any Register of Patents which was kept under the previous laws and was incorporated with and declared to form Part of the Register of Patent shall be deemed to have been registered under Part IV of this Act. Every such Patent shall however retain its Original date.

Savings of
Patents.

211. (a) The validity of the original entry of a Mark on the Register of Marks existing on the day immediately preceding the date of commencement of this Act or any register of Marks which was kept under any previous law and was incorported with and declared to form Part of the Register of Marks shall be deemed to have been registered under Part V of this Act. Every such Mark shall however retain its original date.

Savings of Marks.

(b) No mark which was on the Register on the day immediately after the date of commencement of the Code and which under the Code was then a registrable mark shall be removed from the Register on the ground that it was not registrable under the law in force at the date of its registration.

(c) No mark which was on the Register on the day immediately preceding the date of commencement of the Act and which under Part V is a registrable mark shall be removed from the register on the ground that it was not registrable, under the law in force at the date of its registration.

(d) Nothing in Part V shall—

(i) invalidate the original registration of a mark which had validity on the register immediately before the date of commencement of this Act ; or

(ii) subject any person to any liability in respect to any act or thing done before the date of commencement of this Act, to which he would not have been subject under the law in force at the time such act or thing was done.

CHAPTER XLIII

INTERPRETATION

Interpretation.

212. In this Act unless the context otherwise requires—

“Central Bank of Sri Lanka” means the Central Bank of Sri Lanka established under the Monetary Law Act (Chapter 422) ;

“convention country” means any country that has acceded to or ratified or that may hereafter accede to or ratify the Paris Convention for the protection of Industrial Property, as well as all members of the World Trade Organisation or States that may here after become members of the World Trade Organisation, and includes any country which has

CHAPTER XLI

AMENDMENT OF THE CUSTOMS ORDINANCE

206. Section 101 of the Customs Ordinance (Chapter 235) is hereby amended by the insertion immediately after paragraph (e) of that section of the following new paragraph :—

Amendment of section 101 of the Customs Ordinance. (Chapter 235)

“(ee) for prohibiting of importation and exportation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the Intellectual Property Act, No. 36 of 2003”.

207. The Customs Ordinance hereinafter referred to as “the Ordinance ”is hereby amended in Part XIII of that Ordinance by the insertion immediately after section 125 thereof of the following new sections :—

Insertion of new sections in the Customs Ordinance.

“Inclusion of prohibited goods in Schedule B of Customs Ordinance.

125A. (1) The importation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the Intellectual Property Act, No. 36 of 2003 (hereinafter referred to as the “Act”) shall be prohibited and such goods shall be included among the goods the importation of which, are prohibited under section 43 of the Ordinance and included in Schedule B of the Ordinance as prohibited goods.

(2) The exportation of the goods referred to in subsection (1) of this section shall be prohibited and such goods shall be included among the goods the exportation of which, are prohibited as if they were referred to in section 44 of the Ordinance and included in Schedule B of the Ordinance as prohibited goods.

(3) Notwithstanding anything to the contrary in any other law, prohibited goods referred to in subsections (1) and (2) of this section, shall be disposed of outside the channels of commerce

or if such disposal damages the interests of the owner of any right protected under the Act, be destroyed.

(4) “Counterfeit trade mark goods” mean any goods including packaging, bearing without authorization a trade mark which is identical to a trade mark validly registered in respect of such goods or which cannot be distinguished in its essential aspects from such a trade mark, and which thereby infringes the rights of the owner of the trade mark recognised by the Act.

(5) “Pirated copyright goods” mean any goods which are made without the consent of the copyright holder or person duly authorised by the copyright holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right by the Act.

Suspension of certain goods by Customs Authorities.

125B. (1) A right holder, who has valid grounds to believe that the importation of counterfeit trade mark or pirated copyright goods or of any other goods in contravention of the right holder’s rights under the Act is taking place, may make an application in writing to the Director-General, of customs requiring him to suspend of the release of such goods into free circulation.

(2) A right holder who makes an application under subsection (1) shall provide adequate evidence to satisfy the Director-General of Customs that there is a, *prima facie*, case of infringement of the right holder’s rights under the Act and supply a sufficiently detailed description of the goods to make them readily recognisable by any officer of the Customs.

(3) (a) The Director-General of customs shall have the power to require an applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent any abuse ;

(b) Where pursuant to an application made under subsection (1), the Director-General of customs suspends the release of any goods into free circulation, he shall forthwith cause the importer and the applicant to be promptly notified the the suspension.

(4) If the Director-General of customs fails to receive any notice regarding the institution of proceedings in respect of the of release of any goods suspended under subsection (3), within a period not exceeding ten working days after the applicant has been informed of the suspension as provided for in subsection (3), he shall cause the goods to be released, provided all other conditions for importation or exportation have been complied with.

(5) Where pursuant to an application made under subsection (1), the Director-General of customs has suspended the release of any goods into free circulation and the period referred to in subsection (4) has expired without the granting of any provisional relief by a Court, and provided that all other conditions for importation have been complied with, the owner, importer or consignee of such goods shall be entitled to have such goods released.

(6) Notwithstanding anything contained in the preceding provisions of this section, where the suspension of the release of any goods is carried out or continued in accordance with an

order of court, the provisions of subsection 4 of section 170 of Intellectual Property Act, No. 36 of 2003, shall apply.

(7) The court shall have the power to order the applicant to pay the importer, the consignee and the owner of the goods, appropriate compensation for any harm caused to them through the wrongful detention of goods or through the detention of goods released pursuant to the preceding provisions of this section.

(8) Without prejudice to the protection of confidential information, the Court shall have power to give the right holder sufficient opportunity to have any goods detained by the customs authorities inspected in order to substantiate the right holder's claims. The Court shall in addition have power to give the importer an equivalent opportunity to have any such goods inspected.

(9) Without prejudice to other rights of action open to the right holder and the defendant, the Court shall have the power to order the destruction or disposal of any infringing goods in accordance with the principals set out in section 170 of Intellectual Property Act, No. 36 of 2003. In regard to counterfeit trade mark goods, the Court shall not other than in exceptional circumstances allow the re-exportation of the infringing goods in an unrelated state or subject them to a different customs procedure.

(10) The provisions of sections 125A and 125B shall not apply to small quantities of goods of a non-commercial nature contained in a traveller's personal luggage or forwarded in small consignments.

(11) In this section, the expressions “counterfeit trade mark goods” and “pirated copyright goods” shall have the same meanings as are assigned to them in section 125A.”.

CHAPTER XLII

REPEALS AND SAVINGS

208. (1) The Code of Intellectual Property Act, No. 52 of 1979 (hereinafter referred to as the “Code”) is hereby repealed.

Repeals and savings.

(2) Notwithstanding the repeal of the Code the National Intellectual Property Office of Sri Lanka established under the Code, and the officials appointed under the Code shall continue and shall be deemed to have been established and appointed respectively under this Act.

(3) Notwithstanding the repeal of the Code every regulation made thereunder as in force on the date of commencement of this Act, in so far as such regulation is not inconsistent, with the provisions of this Act shall be deemed to be made under this Act, and such regulations may be amended, rescinded or altered by regulations made under this Act.

(4) Notwithstanding the repeal of the Code—

(a) Every application for registration of an Industrial Design, Patent or Mark made to the Director-General under the provision of the code and pending on the date immediately preceding the date of commencement of this Act, shall be deemed to be an application made to the Director-General under Part III, IV or V respectively of this Act, and shall be dealt with in accordance with the provisions of this Act ;

(h) all matters which under this Act have been placed under the direction or control of the Director-General.

(3) Every regulation made by the Minister shall be published in the Gazette and shall come into operation on the date of such publication or on such later date as may be specified therein.

(4) Every regulation made by the Minister shall as soon as convenient after its publication in the Gazette be brought before the Parliament for approval. Any such regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the Gazette.

CHAPTER XL

AMENDMENT OF HIGH COURT OF THE PROVINCES (SPECIAL PROVISIONS) ACT, No. 10 OF 1996

Amendment of
Act No. 10 of
1996.

205. High Court of the Provinces (Special Provisions) Act, No. 10 of 1996 is hereby amended as follows :—

(1) by the repeal of item 3 of the First Schedule to that Act and substitution thereof of the following :—

“All proceedings required to be taken under the Intellectual Property Act, No. 36 of 2003 in the High Court established under Article 154 P of the Constitution”.

(2) by the repeal of item 2 of the Second Schedule to the Act.

CHAPTER XLI

AMENDMENT OF THE CUSTOMS ORDINANCE

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Amendment of section 101 of the Customs Ordinance. (Chapter 235)

“(ee) for prohibiting of importation and exportation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the Intellectual Property Act, No. 36 of 2003”.

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Insertion of new sections in the Customs Ordinance.

“Inclusion of prohibited goods in Schedule B of Customs Ordinance.

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(2) The exportation of the goods referred to in subsection (1) of this section shall be prohibited and such goods shall be included among the goods the exportation of which, are prohibited as if they were referred to in section 44 of the Ordinance and included in Schedule B of the Ordinance as prohibited goods.

(3) Notwithstanding anything to the contrary in any other law, prohibited goods referred to in subsections (1) and (2) of this section, shall be disposed of outside the channels of commerce

203. On the sale, or in the contract for the sale, of any goods to which a Mark, or trade description has been applied, the vendor shall be deemed to warrant that the Mark is a genuine Mark, and not forged or falsely applied, or that the trade description is not a false trade description within the meaning of this Part, unless the contrary is expressed in writing signed by or on behalf of the vendor and delivered at the time of the sale or contract to, and accepted by, the vendee.

Implied warranty on sale of marked goods.

CHAPTER XXXIX

REGULATIONS

204. (1) The Minister may from time to time make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act and in particular in respect of any matter required under this Act to be prescribed.

Regulations.

(2) Without prejudice to the generality of the powers conferred by subsection (1) the Minister may make regulations in respect of any or all of the following matters :—

- (a) the procedure of registration ;
- (b) the classification of goods and services for the purposes of registration ;
- (c) the fees payable in respect of registration and other matters ;
- (d) the forms to be used for any purpose under the Act ;
- (e) the setting up of organizations to administer rights specified in Part II on behalf of the owners of such rights and the conditions under which such organizations are required to work ;
- (f) the admission, registration, cancellation, removal and any other matter relating to agents specified in Chapter XXXVI of the Act ;
- (g) The manner of the administration of the Patent Co-operation Treaty in Sri Lanka ;

(h) all matters which under this Act have been placed under the direction or control of the Director-General.

(3) Every regulation made by the Minister shall be published in the Gazette and shall come into operation on the date of such publication or on such later date as may be specified therein.

(4) Every regulation made by the Minister shall as soon as convenient after its publication in the Gazette be brought before the Parliament for approval. Any such regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the Gazette.

CHAPTER XL

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(1) by the repeal of item 3 of the First Schedule to that Act and substitution thereof of the following :—

“All proceedings required to be taken under the Intellectual Property Act, No. 36 of 2003 in the High Court established under Article 154 P of the Constitution”.

(2) by the repeal of item 2 of the Second Schedule to the Act.

duties under this Act and all such sums of money as are required to be paid out of such Fund by or under this Act or any regulation made thereunder.

(4) The balance one-third of the money paid into the Fund under subsection (2), of each and every such fee or charge levied or recoverable under this Act or any regulation made thereunder shall be credited to the Consolidated Fund.

(5) The Secretary to the Ministry of the Minister in charge of the subject of Trade shall as soon as possible after the end of each calendar year prepare a report on the administration of the Fund and shall cause to be maintained a full and appropriate account of the Fund in respect of each calendar year.

(6) The Auditor-General shall audit the accounts of the Fund in terms of Article 154 of the Constitution.

(7) The financial year of the Fund shall be the calendar year.

CHAPTER XXXVIII

OFFENCES AND PENALTIES

177. Any person who makes or causes to be made a false entry in any of the registers kept under this Act, or a writing falsely purporting to be a copy of an entry in any such register, or produces, or tenders, or causes to be produced or tendered in evidence any such writing, knowing the entry or writing to be false shall be guilty of an offence and shall on conviction after trial before a Magistrate be liable to a fine not exceeding rupees five hundred thousand or to imprisonment for a term not exceeding seven years.

Falsification of entries in any register.

178. (1) Any person who wilfully infringes any of the rights protected under Part II of this Act shall be guilty of an offence and shall be liable on conviction after trial before a Magistrate to a fine not exceeding rupees five hundred

Infringement of Copyright.

thousand or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction such fine or term of imprisonment or both such fine and imprisonment may be doubled.

(2) Any person knowing or having reason to believe that copies have been made in infringement of the rights protected under Part II of the Act, sells, displays for sale, or has in his possession for sale or rental or for any other purpose of trade any such copies, shall be guilty of an offence and shall be liable on conviction by a Magistrate for a fine not exceeding rupees five hundred thousand or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction, to double the amount of a such fine or term of imprisonment or both.

(3) Any person knowingly or having reasons to believe that he is in possession or has access to a computer program infringing the rights of another person, and wilfully makes use of such program for commercial gain, shall be guilty of an offence and shall be liable on conviction by a Magistrate for a fine not exceeding rupees five hundred thousand or to imprisonment for a period of six months or to both such fine and imprisonment.

(4) The Magistrate may, whether the alleged offender is convicted or not, order that all copies of the work and all implements used for the infringement, or all plates in the possession of the alleged offender, which appear to him to be infringing copies, or plates or implements used for the purpose of making infringing copies, shall be destroyed or delivered up to the owner of the right, or otherwise dealt with in such manner as the Magistrate may think fit.

179. Any person who wilfully infringes the rights of any registered owner, assignee or licensee of an Industrial Design shall be guilty of an offence and shall be liable on conviction after trial before a Magistrate to a fine not

exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both.

180. (1) Any person who, for industrial or commercial purposes, makes a representation —

False representations regarding industrial Designs.

- (a) with respect to an Industrial Design not being a registered Industrial Design to the effect that it is a registered Industrial Design ;
- (b) to the effect that a registered Industrial Design is registered in respect of any product, regarding which registration has not been carried out ;
- (c) to the effect that the registration of an Industrial Design gives an exclusive right to the use thereof in any circumstances in which, having regard to limitations recorded in the register, the registration does not give that right,

shall be guilty of an offence, and shall on conviction after trial before a Magistrate be liable to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment.

(2) A person shall be deemed to represent that an Industrial Design is registered if he uses in connection with the Industrial Design the word “registered”, or any word or words expressing or implying that registration has been obtained for the Industrial Design.

181. Any person who wilfully infringes the rights of any registered owner, assignee or licensee of a patent shall be guilty of an offence, and shall be liable on conviction after trial before a Magistrate to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case

Infringement of Patents.

of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both.

False representations regarding Patents.

182. (1) Any person who, for industrial or commercial purposes, makes a representation –

- (a) with respect to a patent not being a registered patent to the effect that it is a registered Patent ;
- (b) to the effect that a registered Patent is registered in respect of any product or process regarding which registration has not been carried out ; or
- (c) to the effect that the registration of a Patent gives an exclusive right to the use thereof in any circumstances in which, having regard to limitations recorded in the register, the registration does not give that right,

shall be guilty of an offence, and shall be liable on conviction after trial before a Magistrate to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment.

(2) A person shall be deemed to represent a Patent as registered if he uses in connection with the Patent the word “registered”, or any word or words expressing or implying that registration has been obtained for the Patent.

Unlawful disclosure of information relating to Patents.

183. Any person who being or having been employed in or at the office, communicates any information relating to Patents or matters connected therewith obtained by him during the course of his employment in or at the office to any person not entitled or authorized to receive such information, or discloses such information to the public or makes any other unlawful use of such information shall be guilty of an offence, and shall on conviction after trial before a Magistrate be liable to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment.

184. Any person who wilfully infringes the rights of any registered owner, assignee or licensee of a Mark, shall be guilty of an offence and shall on conviction after trial before a Magistrate be liable to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment and in the case of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both such fine and imprisonment.

Infringement of Marks.

185. (1) Any person who, for industrial or commercial purposes, makes a representation—

False representations regarding marks.

- (a) with respect to a Mark not being a registered Mark to the effect that it is a registered Mark ;
- (b) to the effect that a registered mark is registered in respect of any goods or services regarding which registration has not been carried out ; or
- (c) to the effect that the registration of a mark gives an exclusive right to the use thereof in any circumstances, in which having regard to limitations recorded in the register, the registration does not give that right,

shall be guilty of an offence and shall on conviction after trial before a Magistrate be liable to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

(2) A person shall be deemed to represent a Mark as registered if he uses in connection with the Mark the word “registered”, or any word or sign expressing or implying that registration has been obtained for the mark.

186. (1) Any person who—

Other offences as to marks and trade descriptions.

- (a) forges any Mark ; or
- (b) falsely applies to goods any Mark or Marks so nearly resembling a registered Mark as to be likely to mislead ; or

- (c) makes any die, seal block, machine, or other instrument for the purpose of forging, or to be used for forging, a Mark ; or
- (d) applies any false trade description to goods ; or
- (e) disposes of, or has in his possession, any die, seal block, machine, or other instrument for the purpose of forging a Mark ; or
- (f) causes any of the things referred to in this subsection to be done,

shall, subject to the provisions of this Part, and unless he proves that he acted without intent to defraud, be guilty of an offence.

(2) Any person who sells or exposes for sale, or has in his possession for sale, or any purpose of trade or manufacture, any goods or things to which any forged Mark or false trade description is applied, or to which any Mark so nearly resembling a registered Mark so as to be likely to mislead, is falsely applied, as the case may be, shall, unless he proves—

- (a) that having taken all reasonable precautions against committing an offence he had at the time of the commission of the alleged offence no reason to suspect the genuineness of the Mark, or trade description ; and
- (b) that on demand made by or on behalf of the prosecutor he gave all the information in his power with respect to the persons from whom he obtained such goods or things ; or
- (c) that otherwise he had acted innocently,

be guilty of an offence.

(3) Any person who imports any piece-goods ordinarily sold by length or by the piece, manufactured outside Sri Lanka, or who sells or exposes for, or has in his possession for sale or any purpose of trade, any piece-goods ordinarily

sold by length or by piece, whether manufactured within or outside the territory of Sri Lanka, which do not have conspicuously stamped in English numerals on each piece, the length thereof in standard metres, or in standard metres and a fraction of such a metre, according to the real length of the piece, shall be guilty of an offence :

Provided that nothing contained in this subsection shall apply to any piece-goods manufactured within the limits of Sri Lanka by hand labour only.

(4) Any person found guilty of an offence under this section shall on conviction after trial before a Magistrate be liable to a fine not exceeding rupees five hundred thousand or to imprisonment for a term not exceeding two years or to both such fine and such imprisonment, and in the case of a second or subsequent conviction such fine or term of imprisonment or both such fine and imprisonment may be doubled.

(5) The Magistrate may, whether the alleged offender is convicted or not, order that every chattel, article, instrument or thing by means of or in relation to which the offence has or might have been committed shall be destroyed or declared forfeit to the State or otherwise dealt with as he may think fit.

187. Where an offence under this Act has been committed by a body corporate, every person who at the time of the commission of the offence was a Director-General, Manager, Secretary or other similar officer of that body shall be deemed to be guilty of such offence, unless he proves that the offence was committed without his consent or connivance and that he exercised all due diligence to prevent the commission of the offence.

Offences by
bodies corporate.

188. For the purposes of this Part, the definitions contained in section 101 shall apply, unless the context otherwise requires.

Interpretation.

False name or initials.

189. (1) The provisions of this Part respecting the application of a false trade description to goods, or respecting goods to which a false trade description is applied, shall extend to the application to goods—

- (a) of any such figures, words, marks or arrangement or combination thereof, whether including a registered Mark or not, as are likely to lead persons to believe that the goods are the manufacture or merchandise of some person other than the person whose manufacture or merchandise they really are ;
- (b) of any false name or initials of a person and to goods with the false name or initials of a person applied, in like manner as if such name or initials were a trade description.

(2) For the purposes of this Part the expression “false name or initials” means, as applied to any goods, any name or initials of a person which—

- (i) are not a Mark, or part of a Mark ; and
- (ii) are identical with, or are a colourable imitation of, the name or initials of a person carrying on business in connection with goods of the same description, and not having been authorized the use of such name or initials ; and
- (iii) are either those of a fictitious person or of some person not, *bona fide*, carrying on business in connection with such goods.

(3) A trade description which denotes or implies that in any goods to which it is applied which contains more metres or standard metres than contained therein, is a false trade description.

190. A person shall be deemed to forge a Mark who either— Forging marks.

- (a) without the assent of the owner of the Mark make that Mark, or a Mark so nearly resembling that mark as to be likely to mislead ; or
- (b) falsifies any genuine Mark, whether by alteration, addition, effacement or otherwise,

and any Mark so made or falsified is in this Part referred to as a forged Mark :

Provided that in any prosecution for forging a Mark the burden of proving the assent of the owner shall lie on the accused.

191. Any person who—

False declaration to be an offence.

- (a) Makes a false declaration to the Director-General ;
- (b) Makes a false declaration in respect of geographical indication inclusive of Ceylon Tea and Ceylon Cinnamon,

shall be guilty of an offence and shall be liable on conviction by a Magistrate to a fine not exceeding five hundred thousand rupees.

192. (1) Any person shall be deemed to apply a Mark or trade description to goods who—

Applying Marks and descriptions.

- (a) applies it to the goods itself ; or
- (b) applies it to any covering, label, reel or other thing in or with which the goods are sold or exposed, or had in possession for any purpose of sale, trade, or manufacture ; or
- (c) places, encloses, or annexes any goods which are sold or exposed, or had in possession for the purpose of sale, trade, or manufacture, in, with, or to any covering, label, reel, or other thing to which a mark or trade description has been applied ; or

(d) uses a Mark, or trade description in any manner likely to lead to the belief that the goods in connection with which it is used are designated or described by that Mark, or trade description.

(2) The expression “covering” includes any stopper, cask, bottle, vessel, box, cover capsule, case, frame, or wrapper ; and the expression “label” includes any band or ticket.

(3) A Mark or trade description shall be deemed to be applied whether it is woven, impressed, stamped, branded, or otherwise worked into or annexed, or affixed to the goods, or any covering, label, reel, or other thing.

(4) A person shall be deemed to falsely apply to goods a mark who, without the assent of the owner of a Mark, applies such Mark or any Mark so nearly resembling it as to be likely to mislead, but in any prosecution for falsely applying a Mark to goods the burden of proving the assent of the owner shall lie on the accused.

Exemption certain persons employed in ordinary course of business.

193. Where a person is charged with of making any die, stamp block, machine, or other instrument for the purpose of forging or being used for forging, a Mark, or with falsely applying to goods any Mark or any Mark so nearly resembling a mark as to be likely to mislead, or with applying to goods any false trade description or causing any of the things in this section mentioned to be done, and such person proves—

(a) that in the ordinary course of his business he is employed, on behalf of other persons, to make dies, stamps blocks, machines, or other instruments for making, or to be used in making, Marks, or as the case may be, to apply Marks or descriptions to goods and that in the case which is the subject of the charge he was so employed by some person resident in Sri Lanka, and was not interested in the goods by way of profit or commission dependent on the sale of such goods ; and

- (b) that he took reasonable precautions against committing the offence charged with ; and
- (c) that he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the Mark or trade description ; and
- (d) that he gave to the prosecutor all the information in his power with respect to the person on whose behalf the Mark or description was applied,

he shall be discharged from the prosecution, but shall be liable to pay the costs incurred by the prosecutor unless he gives due notice to the prosecutor regarding his intention to rely on defence specified in this section.

194. In any indictment, charge, proceeding, or document in which any mark or forged mark is required to be mentioned, it shall be sufficient, without further description and without any copy or facsimile, to state that Mark or forged Mark to be a Mark or forged Mark.

Mark how described in pleading.

195. In any prosecution for and offence under this Part—

Rules as to evidence.

- (a) an accused, and his or her spouse as the case may be, may, if the accused thinks fit, be called as a witness, and if called, shall be sworn and examined and may be cross-examined and re-examined in like manner as any other witness ;
- (b) in the case of imported goods evidence of the port of shipment shall be, *prima facie*, evidence of the place or country in which the goods were made or produced.

196. Any person who, being within Sri Lanka, abets the commission out side Sri Lanka of any act which, if committed within Sri Lanka, would under this Part be an offence, shall be deemed to be guilty of that offence, and be liable to be indicted, proceeded against, tried and convicted in any district or place in Sri Lanka in which he may be as if the offence had been committed therein.

Punishment of accessories.

For the purpose of this section “abet” shall have the same meaning as in section 101 of the Penal Code.

Search warrant.

197. (1) (a) Upon receipt of information of an offence being committed under this Part, a Magistrate may issue either a summons requiring the person alleged to have committed such offence to appear in court and show cause or where such person fails to appear issue a warrant for the arrest of such person ;

(b) The Magistrate may upon being satisfied by information on oath that there are reasonable grounds to believe that any goods or things by means of, or in relation to, which such alleged offence has been committed are in any house or premises of the person charged on the basis of such information, or in his possession or under his control, in any place, such Magistrate may issue a warrant under his hand ;

(c) It shall be lawful for any police officer, or other person named or referred to in the warrant, to enter such house, premises, or place at any reasonable time of the day, and to search therefore and seize such goods or things ; and any goods or things seized under any such warrant shall be brought before the Magistrate’s Court for the purpose of determining whether such goods are liable to forfeiture under this Part.

(2) (a) If the owner of any goods or things which, if the owner thereof had been convicted, would be liable to forfeiture under this Part, is unknown or cannot be found, any information or complaint may be led for the purpose only of enforcing such forfeiture, and a Magistrate may cause notice to be published requiring reasons to be shown to the contrary at the time and place named in the notice, as to why such goods or things should not be forfeited.

(b) If the owner or any person on his behalf, or other person interested in the goods or things, fails to show sufficient cause to the contrary at the time and place named in the notice, Magistrate may order such goods or things or any of them to be forfeited. Every such order shall be subject to an appeal.

(3) Any goods or things forfeited under this section, or under any other provisions of this Part, may be destroyed or otherwise disposed of, in such manner as the Magistrate who ordered the forfeiture may direct, and the Magistrate out of any proceeds which may be realized by the disposition of such goods (all marks and trade descriptions being first obliterated), may make an award to an innocent party for any loss he may have sustained in dealing with such goods.

198. In any prosecution under this Part the Court may order costs to be paid to the accused by the prosecutor or to the prosecutor by the accused, having regard to the information given by, and the conduct of, the accused and prosecutor respectively, and the sum so awarded as costs shall be recoverable as if it were a fine.

Costs of defence and of prosecution.

199. Where, at the commencement of this Act, a trade description is lawfully and generally applied to goods of a particular class, or manufactured by a particular method, to indicate the particular class or method of manufacture of such goods, the provisions of this Part with respect to false trade descriptions shall not apply to such trade description when so applied :

Provisions as to false description not to apply in certain cases.

Provided that where such trade description includes the name of a place or country, which is likely to mislead as to the place or country where the goods to which it is applied were actually made or produced, and the goods are not actually

made or produced in that place or country, the provisions of this section shall not apply unless there is added to the trade description, immediately before or after the name of that place or country, in an equally conspicuous manner, the name of the place or country in which the goods were actually made or produced, with a statement that they were made or produced there.

Savings.

200. (1) The Provisions of this Part shall not exempt any person from any action, suit, or other proceeding which might, but for the provisions of this Part, be brought against him.

(2) Nothing in this Part shall entitle any person to refuse to make a complete discovery, or to answer any question or interrogatory in any action, but such discovery or answer shall not be admissible in evidence against such person in any prosecution for an offence under this Part.

(3) Nothing in this Part shall be construed so as to make any servant of a master resident in Sri Lanka liable to a suit or prosecution due to disclosure of information regarding the servant of a master, when required by or on behalf of the prosecutor who, *bona fide*, acts in compliance with the instructions of such master.

Cognizable and
bailable offences.

201. All offences under this Part shall be cognizable and bailable, within the meaning of the Code of Criminal Procedure Act, No. 15 of 1979. The provisions of the Code of Criminal Procedure Act shall apply to any offence committed under this Part.

Limitation of
prosecution.

202. No prosecution for an offence under this Act shall be commenced after the expiration of three years after the commission of the offence charged or two years after the discovery thereof by the prosecutor, whichever expiration first occurs.

203. On the sale, or in the contract for the sale, of any goods to which a Mark, or trade description has been applied, the vendor shall be deemed to warrant that the Mark is a genuine Mark, and not forged or falsely applied, or that the trade description is not a false trade description within the meaning of this Part, unless the contrary is expressed in writing signed by or on behalf of the vendor and delivered at the time of the sale or contract to, and accepted by, the vendee.

Implied warranty on sale of marked goods.

CHAPTER XXXIX

REGULATIONS

204. (1) The Minister may from time to time make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act and in particular in respect of any matter required under this Act to be prescribed.

Regulations.

(2) Without prejudice to the generality of the powers conferred by subsection (1) the Minister may make regulations in respect of any or all of the following matters :-

- (a) the procedure of registration ;
- (b) the classification of goods and services for the purposes of registration ;
- (c) the fees payable in respect of registration and other matters ;
- (d) the forms to be used for any purpose under the Act ;
- (e) the setting up of organizations to administer rights specified in Part II on behalf of the owners of such rights and the conditions under which such organizations are required to work ;
- (f) the admission, registration, cancellation, removal and any other matter relating to agents specified in Chapter XXXVI of the Act ;
- (g) The manner of the administration of the Patent Co-operation Treaty in Sri Lanka ;

(4) A corporate body or a firm may act as an agent if the majority of the Directors of such corporate body or if the majority of the partners of the firm, as the case may be, are registered agents.

(5) The registration of an agent under this Act shall be valid for a period of three years and shall be renewable, subject to the payment of a prescribed fee, for a consecutive period of three years provided, however, that a period of grace of six months shall be allowed for renewal upon payment of such surcharge as may be prescribed.

(6) Notwithstanding anything in the provisions of subsection (2), any duly appointed agent, irrespective of not being registered under this Chapter, may represent his clients, for a period of two years from the date on which the provisions of this Chapter comes into operation.

(7) The power of attorney referred to in this Act means a power of attorney duly executed or a letter of authorisation duly signed by the principal.

CHAPTER XXXVII

FUND

Fund.

176. (1) For the purposes of this Act there shall be established a Fund which shall be maintained in such manner as the Secretary to the Ministry of the Minister in charge of the subject of Trade in consultation with the Director-General may direct.

(2) There shall be paid into the Fund two-thirds of every fee or charge, levied or recoverable under this Act or any regulation made thereunder.

(3) There shall be paid out of the Fund referred to in subsection (1) all sums of money required to defray any expenditure incurred by the Director-General in the exercise, discharge and performance of his powers, functions and

duties under this Act and all such sums of money as are required to be paid out of such Fund by or under this Act or any regulation made thereunder.

(4) The balance one-third of the money paid into the Fund under subsection (2), of each and every such fee or charge levied or recoverable under this Act or any regulation made thereunder shall be credited to the Consolidated Fund.

(5) The Secretary to the Ministry of the Minister in charge of the subject of Trade shall as soon as possible after the end of each calendar year prepare a report on the administration of the Fund and shall cause to be maintained a full and appropriate account of the Fund in respect of each calendar year.

(6) The Auditor-General shall audit the accounts of the Fund in terms of Article 154 of the Constitution.

(7) The financial year of the Fund shall be the calendar year.

CHAPTER XXXVIII

OFFENCES AND PENALTIES

177. Any person who makes or causes to be made a false entry in any of the registers kept under this Act, or a writing falsely purporting to be a copy of an entry in any such register, or produces, or tenders, or causes to be produced or tendered in evidence any such writing, knowing the entry or writing to be false shall be guilty of an offence and shall on conviction after trial before a Magistrate be liable to a fine not exceeding rupees five hundred thousand or to imprisonment for a term not exceeding seven years.

Falsification of entries in any register.

178. (1) Any person who wilfully infringes any of the rights protected under Part II of this Act shall be guilty of an offence and shall be liable on conviction after trial before a Magistrate to a fine not exceeding rupees five hundred

Infringement of Copyright.

(6) Every appeal to the Supreme Court under subsection (5) shall be made as nearly as may be in accordance with the procedure prescribed by the rules of the Supreme Court with respect to special leave to appeal to the Supreme Court.

174. (1) In all proceedings before the Director-General under this Act, the Director-General shall have power to award any party such costs as he may consider reasonable, and to direct to whom and to what parties they are to be paid, and such order may be filed in Court, and thereupon such order may be enforced as if it were an order of the Court.

Costs of proceedings before Director-General and Court.

(2) In any proceedings before a Court under this Act, the Director-General shall not be ordered to pay costs. The Court may however in its descretion Order the payment of costs to the Director-General.

CHAPTER XXXVI

REGISTERED AGENTS

175. (1) An Agent referred to in this Act means an agent registered under the provisions of the Act or in accordance with any regulation made thereunder.

Registered agents.

(2) Any person registered as an agent under this Act shall have the authority and be competent to act as an agent under this Act.

(3) A person may be admitted and registered as an agent if he—

- (a) is a citizen of Sri Lanka and is ordinarily resident in Sri Lanka ; and
- (b) (i) is an Attorney-At-Law of the Supreme Court of Sri Lanka ; or
 - (ii) is a person possessing the qualifications prescribed for an agent ; and
- (c) pays the prescribed fee.

(4) A corporate body or a firm may act as an agent if the majority of the Directors of such corporate body or if the majority of the partners of the firm, as the case may be, are registered agents.

(5) The registration of an agent under this Act shall be valid for a period of three years and shall be renewable, subject to the payment of a prescribed fee, for a consecutive period of three years provided, however, that a period of grace of six months shall be allowed for renewal upon payment of such surcharge as may be prescribed.

(6) Notwithstanding anything in the provisions of subsection (2), any duly appointed agent, irrespective of not being registered under this Chapter, may represent his clients, for a period of two years from the date on which the provisions of this Chapter comes into operation.

(7) The power of attorney referred to in this Act means a power of attorney duly executed or a letter of authorisation duly signed by the principal.

CHAPTER XXXVII

FUND

Fund.

176. (1) For the purposes of this Act there shall be established a Fund which shall be maintained in such manner as the Secretary to the Ministry of the Minister in charge of the subject of Trade in consultation with the Director-General may direct.

(2) There shall be paid into the Fund two-thirds of every fee or charge, levied or recoverable under this Act or any regulation made thereunder.

(3) There shall be paid out of the Fund referred to in subsection (1) all sums of money required to defray any expenditure incurred by the Director-General in the exercise, discharge and performance of his powers, functions and

PART XI

CHAPTER XXXV

APPLICATIONS TO AND PROCEEDINGS BEFORE, THE
DIRECTOR-GENERAL AND COURT

Correction and
rectification of
register.

163. (1) The Director-General may, on application made in the prescribed manner by or on behalf of the registered owner of an industrial design, patent, trade mark or any other registration provided for under the Act, correct any error or make any change—

- (a) in the name, address or description of the registered owner of any Industrial Design, Patent or Mark or any other registration provided for under the Act ;
- (b) concerning any other particulars relating to the registration of an Industrial Design, Patent or Mark or any other registration as may be prescribed.

(2) Subject and without prejudice to other provisions of the Act—

- (a) the Court may on the application of any person aggrieved by the non-insertion in or omission from any register, of any entry, or by any entry made in any register without sufficient cause, or by any entry wrongly remaining on any register, or by any error or defect in any entry in any register, make such order for making, expunging, or varying such entry, as it may think fit ;
- (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of any register ;

- (c) in case of fraud in the registration, assignment or transmission of any registered Industrial Design, Patent or Mark, or any other registration provided for under the Act, the Director-General himself may apply to the Court under the provisions of this section.

(3) In any proceedings under this Act in which the relief sought includes correction, alteration or rectification of any register, the Director-General shall have the right to appear and be heard, and shall appear if so directed by the Court. Unless otherwise directed by the Court, the Director-General in lieu of appearing and being heard may submit to the Court a statement in writing signed by him, giving particulars of the proceedings before him in relation to the matter in issue or of the grounds of any decision given by him affecting the same or of the practice of the office in like cases, or of such other matters relevant to the issue, and within his knowledge as such Director-General shall think fit, and such statement shall be deemed to form part of the evidence in the proceedings.

(4) The Court, in dealing with any question of the correction, alteration or rectification of any register shall have power to review any decision of the Director-General relating to the entry in question or the correction, alteration or rectification sought to be made.

164. (1) Where the Director-General is satisfied that any volume of any register kept under this Act has been so damaged as to render that volume incapable of being mended, he may cause a copy thereof to be made and authenticated in such manner as he may direct.

Power to make copies of damaged volumes of any register, to prepare and insert reconstructed folios.

(2) Any copy made and authenticated under the provisions of subsection (1) shall replace the volume of which it is a copy, and shall for all purposes be deemed to have the same legal force and effect as the volume which such copy replaces.

(3) The Director-General shall cause every damaged volume of which a copy has been made under the provisions of subsection (1) to be preserved as long as it is reasonably practicable for any reference which may be necessary.

(4) Where the Director-General, after due investigation, is satisfied that any folio of any volume of any register has been lost and cannot be recovered or that any such folio has been permanently mutilated or so obliterated or damaged as to render the entries or any material part of the entries therein illegible, he may cause a reconstructed folio to be prepared.

(5) No folio shall be reconstructed as provided in subsection (4) except in accordance with the prescribed procedure, providing—

- (a) for evidence to be admitted and used by the Director-General in ascertaining the particulars originally contained in the lost or mutilated or damaged folio ;
- (b) for the giving of notice by the Director-General of the preparation of the reconstructed folio ;
- (c) for the lodging of objections by any person affected by any of the particulars contained in the folio to be reconstructed ; and
- (d) for the holding of an inquiry by the Director-General into any such objections.

(6) Where any folio has been reconstructed by the Director-General in accordance with the preceding provisions of this section, the Director-General shall authenticate the reconstructed folio in the prescribed manner and shall thereafter cause the reconstructed folio to be inserted in the appropriate volume of the register in the place formerly occupied by the lost folio or in place of the mutilated or damaged folio, or in a copy of a volume prepared under the provisions of this section, as the case may be, and the reconstructed folio, when so authenticated and inserted, shall for all purposes be deemed to have the same legal force and effect as the folio which such reconstructed folio replaces.

(7) The Director-General may, after such inquiry as he may deem necessary, correct any clerical error or omission which may be discovered in any entry in any register or in any certificate kept or issued under the provisions of this Act and for that purpose may recall any such certificate and amend the same or issue a fresh certificate in its place.

165. A certificate purporting to be under the hand of the Director-General as to any entry, matter, or thing which he is authorized by this Act or regulations made thereunder to make or do, shall be, *prima facie*, evidence of the entry having been made, and of the contents thereof, and of the matter or thing having been done or not done.

Certificate of Director-General to be evidence.

166. Printed, mechanically produced, typed or written copies or extracts, certified by the Director-General, of or from any document, register, or other book filed or kept under this Act in the office shall be admitted in evidence in any Court of Sri Lanka, without further proof or production of the originals.

Certified copies to be evidence.

167. (1) In any proceeding under this Act before the Court, the evidence shall be given by affidavit in the absence of directions to the contrary. However in any case in which the Court shall think it right so to do, the Court may take evidence, *viva voce*, in lieu of or in addition to evidence by affidavit.

Mode of giving evidence.

(2) The provisions of subsection (1) shall, *mutatis mutandis*, apply in respect of the giving of evidence at an inquiry before the Director-General.

(3) In case any part of the evidence is taken *viva voce*, the Director-General may exercise the powers conferred on a Commission appointed under the provisions of the Commissions of Inquiry Act for compelling the attendance of witnesses and the production of documents and for administering oaths to all persons who shall be examined before him.

Exercise of discretionary power by Director-General.

168. Where any discretionary or other power is given to the Director-General by this Act or any regulation made thereunder, he shall not exercise that power adversely in respect of the applicant for registration or the registered owner of an Industrial Design, Patent or Mark or any other matter provided under this Act without (if duly required so to do within the prescribed time) giving such applicant or registered owner an opportunity of being heard.

Director-General may seek assistance of Attorney-General.

169. The Director-General may, in any case of doubt or difficulty arising in the administration of any of the provisions of this Act, seek the assistance of the Attorney-General.

Infringement and the remedies.

170. (1) Where a person to whom any recognised rights granted under this Act, proves to the satisfaction of the Court that any person is threatening to infringe or has infringed his rights or is performing acts which makes it likely to infringe a right under this Act, will occur, the Court may grant an injunction restraining any such person from commencing or continuing such infringement or performing such acts and may order damages and such other relief as the Court may deem just and equitable. The injunction may be granted along with an award of damages and shall not be denied only for the reason that the applicant is entitled to damages.

(2) The defendant may in the proceedings referred to in subsection (1) request the Court to declare the registration of an Industrial Design, Patent, Mark or any other registration provided for under the Act, as the case may be, or any part of it, null and void, in which event the provisions of the section relating to the nullity of such registration shall apply as appropriate.

(3) (a) The court shall have the power to order—

- (i) the infringer to pay the right holder such damages as are adequate to compensate him for the loss suffered by him, by reason of such infringement, in addition to the recovery of any profits ;

- (ii) the infringing goods to be disposed of outside the channels of commerce or to be destroyed without the payment of any compensation ; and
- (iii) subject to the protection of confidential information, the tendering of any evidence by the opposing party which evidence is relevant to the substantiation of the claim and is in the control of the opposing party, in cases where a party has presented reasonably available evidence in support of the claim and has specified that evidence relevant to the substantiation of such claim lies in the control of the opposing party.

(b) The court may make any order specified in subsection (1) in respect of materials and implements used in the creation of the infringing goods.

(4) In making such orders the need for maintaining a balance between the seriousness of the infringement and the remedies ordered, as well as the interests of third parties shall be taken into consideration. In regard to counterfeit trade mark goods, the simple removal of the trade mark unlawfully affixed shall not other than in exceptional cases, be sufficient, to permit the release of the goods into the channels of commerce.

(5) The Court may, other than in an instance where it would not be in proportion to the seriousness of the infringement, order the infringer to inform the right holder of the identity of the persons involved in the production and distribution of the infringing goods or services and of channels of distribution used by them.

(6) The Court shall have power to order interim measures relating to protection, *ex-parte*, where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.

(7) Where interim measures have been ordered *ex-parte* the parties affected shall be given notice and shall on receipt of such notice be entitled to be heard as to whether the interim measures ordered should be modified or revoked.

(8) Where the interim measures are modified or revoked or it is subsequently found that there has been no infringement of a protected right, the Court shall have the power to order the applicant, upon the request of the defendant to pay appropriate compensation for any injury caused.

(9) The Court may require the applicant to provide security or other equivalent assurance sufficient to protect the defendant and to prevent abuse of any interim measures referred to in the preceding provisions of this section.

(10) Any owner of the rights protected under this Act may, notwithstanding any provision in the Act relating to the award of damages, elect at any time before final judgment to recover, instead of proved actual damages, an award of statutory damages for any infringement involved in the action of a sum not less than rupees fifty thousand and not more than rupees one million as the court may consider appropriate and just.

(11) No suit or prosecution shall lie against any official for any act which is done in good faith and in pursuance of any provisions of this Act.

Infringement proceedings by or at the request of licensee.

171. In the absence of any provision to the contrary in a licence contract relating to an Industrial Design, Patent or Mark or any other matter provided for by the Act, the licensee may—

- (a) in respect of the threatened infringement, infringement or acts referred to in section 170 request the registered owner of the Industrial Design, Patent or Mark or any other matter provided for by the Act, to apply for an injunction :

Provided that the licensee shall indicate the threatened infringement, infringement or acts being performed in relation to such infringement and specify the relief sought under the Act ; and

- (b) if the owner of the said Industrial Design, Patent or Mark or any other matter provided for by this Act refuses or fails to apply for an injunction within three months from the receipt of the said request, apply for an injunction in his own name, with notice to the registered owner who may join in the proceedings :

Provided that the Court may, on the application of the licensee, prior to the expiry of the period of three months, specified in paragraph (b) of this section grant an injunction if he proves that immediate action is necessary to avoid substantial damage.

172. (1) The Court may on the application of any person showing a legitimate interest to which the registered owner of the Industrial Design, Patent or Mark, or any other matter provided for under the Act as the case may be, shall be made party, declare that the threatened performance or performance of a specific act does not constitute a threatened infringement or infringement of the said Industrial Design, Patent or Mark or any other matter provided for under the Act.

Declaration of
non-infringement.

(2) The registered owner of the industrial design, patent or Mark or any other register provided for under the Act, as the case may be, shall give notice of the said application to any assignee or licensee, who shall be entitled to join in the proceedings in the absence of any provision to the contrary in any agreement with the registered owner.

(3) The proceedings for a declaration of non-infringement may be instituted concurrently with proceedings to declare the registration of an Industrial Design, Patent or Mark or any other matter provided for by the Act be null and void :

Provided that the matters in issue in the proceedings for a declaration of non-infringement are not already the subject of infringement proceedings.

(4) The provisions of the Judicature Act, No. 2 of 1978, and the Civil Procedure Code shall apply to every application for an injunction made to the Court under this Act.

Appeals.

173. (1) Any person aggrieved by any decision made by the Director-General under any provision of the Act may appeal therefrom to the Court within a period of six months from the date of such decision.

(2) Such person may prefer an appeal to the Court by way of a petition of appeal with a certified copy of the decision appealed from, accompanied by copies of all relevant documents and affidavits from the file of the Intellectual Property Office. A copy of the petition of appeal and the accompanying documents and the affidavits shall be served on the Director-General and other respondents named in the petition of appeal. Proof of such service shall be furnished with the petition of appeal to the Court. The respondents may file a statement of objections.

(3) Court may call for the original file from the Director-General and may receive and admit new evidence by way of affidavit and documents, additional to, or supplementary of, the evidence already given before the Director-General in respect of the matter issue as the Court may require.

(4) On any such appeal, the Court may affirm, reverse or vary the decision of the Director-General or may issue such directions to the Director-General, or order a further hearing by the Director-General, as the court may require.

(5) Any person who is dissatisfied with any Order made by the Court under subsection (4) to which such person is a party may prefer an appeal to the Supreme Court against such Order for the correction of any error in fact or in law, with the leave of the Supreme Court first had and obtained.

(6) Every appeal to the Supreme Court under subsection (5) shall be made as nearly as may be in accordance with the procedure prescribed by the rules of the Supreme Court with respect to special leave to appeal to the Supreme Court.

174. (1) In all proceedings before the Director-General under this Act, the Director-General shall have power to award any party such costs as he may consider reasonable, and to direct to whom and to what parties they are to be paid, and such order may be filed in Court, and thereupon such order may be enforced as if it were an order of the Court.

Costs of proceedings before Director-General and Court.

(2) In any proceedings before a Court under this Act, the Director-General shall not be ordered to pay costs. The Court may however in its descretion Order the payment of costs to the Director-General.

CHAPTER XXXVI

REGISTERED AGENTS

175. (1) An Agent referred to in this Act means an agent registered under the provisions of the Act or in accordance with any regulation made thereunder.

Registered agents.

(2) Any person registered as an agent under this Act shall have the authority and be competent to act as an agent under this Act.

(3) A person may be admitted and registered as an agent if he—

- (a) is a citizen of Sri Lanka and is ordinarily resident in Sri Lanka ; and
- (b) (i) is an Attorney-At-Law of the Supreme Court of Sri Lanka ; or
 - (ii) is a person possessing the qualifications prescribed for an agent ; and
- (c) pays the prescribed fee.

(5) For the purposes of this section “geographical indications” shall have the same meaning as in section 101.

PART X

CHAPTER XXXIV

CONSTITUTION AND POWERS OF ADVISORY COMMISSION

162. (1) The Minister may constitute an Advisory Commission (hereinafter referred to as the “Commission”) for the purpose of advising him on any matter referred to him in relation to the law relating to Copyright, Industrial Designs, Marks, Patents and Unfair Competition and any other area or subject of Intellectual Property.

Appointments &
of Advisory
Commission.

(2) The Commission constituted under subsection (1) shall consist of—

- (a) not less than five and not more than ten members appointed by the Minister from among persons who have shown capacity in law or commerce or related fields, (hereinafter referred to as an “*appointed member*”) ; and
- (b) the Director-General who shall be an *ex-officio* member and who shall function as the Secretary to the Commission ;

(3) (a) Subject to the provisions of subsection (4), the term of office of an appointed member of the Commission shall be three years :

Provided that a member appointed in place of a member who resigns or is removed or otherwise vacates office, shall hold office for the unexpired portion of the part of term of office of the member whom he succeeds ;

(b) An appointed member of the Commission who vacates office by effluxion of time shall be eligible for re-appointment.

(4) (a) An appointed member of the Commission may resign from office by letter to that effect addressed to the Minister and such resignation shall take effect on such resignation being accepted by the Minister in writing.

(b) The Minister may at any time remove an appointed member from office, assigning any reason therefor.

(c) Where an appointed member is temporarily unable to discharge the duties of his office on account of illness, absence from Sri Lanka or any other cause, the Minister may appoint another person to act as a member in his place.

(5) (a) The Minister shall appoint a Chairman of the Commission (in this Part referred to as the “Chairman”) from among the appointed members of the Commission ;

(b) If the Chairman is by reason of illness, other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint another appointed member to act in his place.

(c) The Minister may at any time remove the Chairman from office, assigning any reason therefor ;

(d) The Chairman may resign from the office of Chairman by a letter to that effect addressed to the Minister in writing and such resignation shall take effect on such resignation being accepted by the Minister.

(e) Subject to the provisions of paragraphs (c) and (d), the term of office of the Chairman shall be his period of membership of the Commission.

(6) There may be appointed such officers and servants as may be necessary to assist the Commission in performing its duties under this Part.

(7) The members of the Commission may be paid such remuneration out of the Fund as may be determined by the Minister in consultation with the Minister in charge of the subject of Finance.

(8) It shall be the duty of the Commission –

- (a) to inquire into and report to the Minister, on any matter or question relating to the law of Copyright, Industrial Designs, Trade Marks, Patents and Unfair Competition or any other matter relating to Intellectual Property as may be referred to it by the Minister from time to time ;
- (b) to review the law relating to, and applicable to, Copyright, Industrial Designs, Trade Marks, Patents and Unfair Competition or any other matter relating to intellectual property from time to time and to make proposals to the Minister for the alteration, modification or addition to such law ;
- (c) in making the report or proposals referred to in paragraph (a) or (b), to consult and take into consideration where the Commission deems it necessary to do so, the views of trade chambers, professional organizations, related institutions, government departments and the general public.

(9) The Minister may give special or general directions in writing to the Commission, as to the performance of its duties and the exercise of the powers, and the Commission shall give effect to such directions.

PART XI

CHAPTER XXXV

APPLICATIONS TO AND PROCEEDINGS BEFORE, THE
DIRECTOR-GENERAL AND COURT

Correction and
rectification of
register.

163. (1) The Director-General may, on application made in the prescribed manner by or on behalf of the registered owner of an industrial design, patent, trade mark or any other registration provided for under the Act, correct any error or make any change—

- (a) in the name, address or description of the registered owner of any Industrial Design, Patent or Mark or any other registration provided for under the Act ;
- (b) concerning any other particulars relating to the registration of an Industrial Design, Patent or Mark or any other registration as may be prescribed.

(2) Subject and without prejudice to other provisions of the Act—

- (a) the Court may on the application of any person aggrieved by the non-insertion in or omission from any register, of any entry, or by any entry made in any register without sufficient cause, or by any entry wrongly remaining on any register, or by any error or defect in any entry in any register, make such order for making, expunging, or varying such entry, as it may think fit ;
- (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of any register ;

- (ii) business information which includes the internal information which an enterprise has developed so as to be used within the enterprise.

In this section the word “enterprise” has the same meaning as in section 101 of the Act.

(7) Any person or enterprise or association of producers, manufacturers or traders aggrieved by any act or practice referred to in this Part, may institute proceedings in Court to prohibit the continuance of such act or practice and obtain damages for losses suffered as a result of such act or practice. The provisions of Chapter XXXV of this Act relating to infringement shall apply, *mutatis mutandis*, to such proceeding.

(8) (a) Any person, who willfully and without lawful authority, discloses any undisclosed information shall be guilty of an offence under this Act and shall on conviction after trial before a Magistrate be liable to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

(b) The provisions of Chapter XXXVIII of the Act shall apply, *mutatis mutandis*, to the offence specified under this subsection.

(9) The rights conferred by the provisions of subsection (6) shall be in addition to, and not in derogation of, any common law rights.

PART IX

CHAPTER XXXIII

GEOGRAPHICAL INDICATIONS

161. (1) Any interested party shall be entitled to prevent—

- (i) the use of any means in the designation or presentation of goods that indicates or suggests that the goods including an agricultural product, food, wine or spirit in question originates in a

Protection of geographical indications.

geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of goods ; or

- (ii) any use of a geographical indication which constitutes an act of unfair competition within the meaning of section 160 ;
- (iii) the use of a geographical indication identifying goods including an agricultural product, food, wine or spirit not originating in the place indicated by the geographical indication in question or identifying goods not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expression such as kind, type, style or imitation or the like.

(2) The protection accorded to geographical indications under sections 103, 160 and 161 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

(3) In the case of homonymous geographical indications for goods including an agricultural product, food, wine or spirit, protection shall be accorded to each indication, subject to the provisions of subsection (2) of this section. The Minister, in case of permitted concurrent use of such indications, shall determine by prescribed practical conditions under which the homonymous indications in question will be differentiated from each other, taking into consideration the need to ensure equitable treatment of the producers concerned and the protection of consumers from false or deceptive indications.

(4) The Court shall have power and jurisdiction to grant an injunction and any other relief deemed appropriate to prevent any such use as is referred to in this section. The provisions of Chapter XXXV of the Act shall, *mutatis mutandis*, apply to such proceedings.

(5) For the purposes of this section “geographical indications” shall have the same meaning as in section 101.

PART X

CHAPTER XXXIV

CONSTITUTION AND POWERS OF ADVISORY COMMISSION

162. (1) The Minister may constitute an Advisory Commission (hereinafter referred to as the “Commission”) for the purpose of advising him on any matter referred to him in relation to the law relating to Copyright, Industrial Designs, Marks, Patents and Unfair Competition and any other area or subject of Intellectual Property.

Appointments &
of Advisory
Commission.

(2) The Commission constituted under subsection (1) shall consist of—

- (a) not less than five and not more than ten members appointed by the Minister from among persons who have shown capacity in law or commerce or related fields, (hereinafter referred to as an “*appointed member*”) ; and
- (b) the Director-General who shall be an *ex-officio* member and who shall function as the Secretary to the Commission ;

(3) (a) Subject to the provisions of subsection (4), the term of office of an appointed member of the Commission shall be three years :

Provided that a member appointed in place of a member who resigns or is removed or otherwise vacates office, shall hold office for the unexpired portion of the part of term of office of the member whom he succeeds ;

(b) An appointed member of the Commission who vacates office by effluxion of time shall be eligible for re-appointment.

Interpretation.

159. In this Part unless the context otherwise requires—

“integrated circuit” means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in or on a piece of material and which is intended to perform an electronic function ;

“layout design” is synonymous with “topography” and means the three dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture ;

“right holder” means the natural person who, or the legal entity which, is to be regarded as the beneficiary of the protection referred to in section 146.

PART VIII

CHAPTER XXXII

UNFAIR COMPETITION AND UNDISCLOSED INFORMATION

Unfair
competition and
undisclosed
information.

160. (1) (a) Any act or practice carried out or engaged in, in the course of industrial or commercial activities, that is contrary to honest practices shall constitute an act of unfair competition.

(b) The provisions of this section shall apply independently of, and in addition to, other provisions of the Act protecting inventions, industrial designs, marks, trade names, literary, scientific and artistic works and other intellectual property.

(2) (a) Any act or practice carried out or engaged in, in the course of industrial or commercial activities, that causes, or is likely to cause, confusion with respect to another's enterprise or its activities, in particular, the products or services offered by such enterprise, shall constitute an act of unfair competition.

(b) Confusion may, in particular, be caused with respect to —

- (i) a mark, whether registered or not ;
- (ii) a trade name ;
- (iii) a business identifier other than a mark or trade name ;
- (iv) the appearance of a product ;
- (v) the presentation of products or services ;
- (vi) celebrity or a well known fictional character.

(3) (a) Any act or practice carried out or engaged in, in the course of industrial or commercial activities, that damages, or is likely to damage, the goodwill or reputation of another's enterprise shall constitute an act of unfair competition, whether or not such act or practice actually causes confusion.

(b) Damaging another's goodwill or reputation may, in particular, result from the dilution of the goodwill or reputation attached to—

- (i) a mark, whether registered or not ;
- (ii) a trade name ;
- (iii) a business identifier other than a mark or a trade name ;

- (iv) the appearance of product ;
- (v) the presentation of products or services;
- (vi) celebrity or a well-known fictional character.

(c) For the purposes of these provisions, “dilution of goodwill or reputation” means the lessening of the distinctive character or advertising value of a mark, trade name or other business identifier, the appearance of a product or the presentations of products or services or of a celebrity or well known fictional character.

(4) (a) Any act or practice carried out or engaged in, in the course of any industrial or commercial activity, that misleads, or is likely to mislead, the public with respect to an enterprise or its activities, in particular, the products or services offered by such enterprise, shall constitute an act of unfair competition.

(b) Misleading may arise out of advertising or promotion and may, in particular occur with respect to —

- (i) the manufacturing process of a product ;
- (ii) the suitability of a product or service for a particular purpose ;
- (iii) the quality or quantity or other characteristics of products or services ;
- (iv) the geographical indication of products or services ;
- (v) the conditions on which products or services are offered or provided ;
- (vi) the price of products or services or the manner in which it is calculated.

(5) (a) any false or unjustifiable allegation, in the course of industrial or commercial activities, that discredits, or is likely to discredit, an enterprise of another person or the activities of such enterprise, in particular, the products or services offered by such enterprise, shall constitute an act of unfair competition.

(b) Discrediting may arise out of advertising or promotion and may, in particular, occur with respect to—

- (i) the manufacturing process of a product ;
- (ii) the suitability of a product or service for a particular purpose ;
- (iii) the quality or quantity or other characteristics of products or services ;
- (iv) the conditions on which products or services are offered or provided ;
- (v) the price of products or services or the manner in which it is calculated.

(6) (a) Any act or practice, in the course of industrial or commercial activities, that results in the disclosure, acquisition or use by others, of undisclosed information without the consent of the person lawfully in control of that information (in this section referred to as “the rightful holder”) and in a manner contrary to honest commercial practices shall constitute an act of unfair competition.

(b) Disclosure, acquisition or use of undisclosed information by others without the consent of the rightful holder may, in particular, result from—

- (i) industrial or commercial espionage ;
- (ii) breach of contract ;
- (iii) breach of confidence ;
- (iv) inducement to commit any of the acts referred to in sub-paragraphs (i) to (iii) ;

- (v) acquisition of undisclosed information by a third party who knew or was grossly negligent in failing to know, that an act referred to in sub-paragraphs (i) to (iv) was involved in the acquisition.

(c) For the purposes of this Act, information shall be considered “undisclosed information” if—

- (i) it is not, as a body or in the precise configuration and assembly of its components, generally known among, or readily accessible to, persons within the circles that normally deal with the kind of information in question ;
- (ii) it has actual or potential commercial value because it is secret ; and
- (iii) it has been subject to reasonable steps under the circumstances by the rightful holder to keep it secret.

(d) Any act or practice, in the course of industrial or commercial activities, shall be considered an act of unfair competition if it consists of results in—

- (i) an unfair commercial use of secret test or other data, the origination of which involves considerable effort and which have been submitted to appropriate authority for the purposes of obtaining approval of the marketing of pharmaceutical or agricultural or chemical products which utilize new chemical entities ; or
- (ii) the disclosure of such data, except where necessary to protect the public, or unless steps have been taken to ensure that the data is protected against unfair commercial use.

(e) The undisclosed information for the purpose of this Act shall include—

- (i) technical information related to the manufacture of goods or the provision of services ; or

- (ii) business information which includes the internal information which an enterprise has developed so as to be used within the enterprise.

In this section the word “enterprise” has the same meaning as in section 101 of the Act.

(7) Any person or enterprise or association of producers, manufacturers or traders aggrieved by any act or practice referred to in this Part, may institute proceedings in Court to prohibit the continuance of such act or practice and obtain damages for losses suffered as a result of such act or practice. The provisions of Chapter XXXV of this Act relating to infringement shall apply, *mutatis mutandis*, to such proceeding.

(8) (a) Any person, who willfully and without lawful authority, discloses any undisclosed information shall be guilty of an offence under this Act and shall on conviction after trial before a Magistrate be liable to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

(b) The provisions of Chapter XXXVIII of the Act shall apply, *mutatis mutandis*, to the offence specified under this subsection.

(9) The rights conferred by the provisions of subsection (6) shall be in addition to, and not in derogation of, any common law rights.

PART IX

CHAPTER XXXIII

GEOGRAPHICAL INDICATIONS

161. (1) Any interested party shall be entitled to prevent—

- (i) the use of any means in the designation or presentation of goods that indicates or suggests that the goods including an agricultural product, food, wine or spirit in question originates in a

Protection of geographical indications.

Protection of
trade name.

144. (1) Notwithstanding the provisions of any written law providing for the registration of a trade name, such name shall be protected, even prior to or without registration, against any unlawful act committed by a third party.

(2) Any subsequent use of a trade name by a third party, whether as a trade name or as a trade mark, service mark, collective mark or certification mark or any such use of similar trade name, trade mark, service mark or collective mark or certification mark likely to mislead the public shall be deemed to be unlawful.

(3) Section 122 of this Act shall apply to trade names.

Assignment and
transmission of
trade names.

145. (1) A trade name may be assigned or transmitted together with the assignment or transmission of the enterprise or part of the enterprise identified by that name.

(2) The provisions of section 123 shall apply, *mutatis mutandis*, to trade names.

PART VII

CHAPTER XXXI

LAYOUT DESIGNS OF INTEGRATED CIRCUITS

Right to
protection.

146. (1) The right to protection of a layout design shall belong to the creator of layout design. Where several persons have jointly created a layout design such persons shall be co-owners of the right to protection.

(2) The right to protection of a layout design made or created in the performance of a contract of employment or in the execution of a work shall, unless the terms of such contract of employment or contract for the execution of such work otherwise provides, belong to the employer or the person who commissioned the work, as the case may be.

147. (1) The protection provided under this Act shall apply to any layout design which is original. For the purposes of this section a layout design is original if —

Originality.

- (a) it has not been produced by the mere reproduction of another layout design or of any substantial part thereof; and
- (b) it is the result of an intellectual effort of a creator and is not common place among creators of layout designs and manufacturers of integrated circuits at the time of the creation of such layout design.

(2) Where a layout design consists of a combination of elements and interconnections that are common place among creators of layout designs or manufacturers of integrated circuits, such layout designs shall be protected only if the combination, taken as a whole, meets the conditions referred to in subsection (1).

148. (1) The protection afforded to a layout design under this Part shall not be dependent on the integrated circuit which incorporates such layout design being incorporated in an article. Subject to the provisions of subsection (2) the right holder of a layout design shall have the exclusive right to do or authorize any person to do any of the following acts :—

Scope of protection.

- (i) to reproduce whether by incorporation in an integrated circuit or otherwise, the protected layout design in its entirety or any part thereof, except the act of reproducing any part that does not comply with the requirement of originality referred to in subsections (1) and (2) of section 147.
- (ii) to import, offer for sale, sell or otherwise distribute for commercial purposes, the protected layout design or an integrated circuit in which the protected layout design is incorporated or an article incorporating such an integrated circuit in so far as it does not contain an unlawfully reproduced layout design.

(2) The scope of the protection of a layout design afforded by this Part, shall not extend to—

- (i) the reproduction of the protected layout design for the purpose of evaluation, analysis, research or non profit teaching or education ;
- (ii) the incorporation in an integrated circuit of a layout design, created on the basis of such analysis, evaluation or research referred to in paragraph (i), if such layout design is itself original within the meaning of subsections (1) and (2) of section 147, or for the performance of any of the acts referred to in subsection (1) of this section in respect of such layout design ;
- (iii) the performance of any of the acts referred to in paragraph (ii) of subsection (1), where the act is performed in respect of a protected layout design, or in respect of an integrated circuit in which such layout design is incorporated, and such layout design or integrated circuit has been put on the market by, or with the consent of, the right holder; or
- (iv) the performance of any act referred to in paragraph (ii) of subsection (1) in respect of an integrated circuit incorporating an unlawfully reproduced layout design or any article incorporating such an integrated circuit, where the person performing or ordering such an act unknowingly performs or orders such an act and has no reasonable grounds of knowing at the time of acquiring the integrated circuit or the article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout design :

Provided however, where the person performing or ordering any act under this paragraph, is notified that such layout design is an unlawful reproduction, then such person may, perform or order any act only

with respect to the stock in hand or ordered before he was so notified and shall be liable to pay to the right holder a sum equivalent to a reasonable royalty such as would be payable under a freely negotiated licence in respect of such layout design; or

- (v) protection under this Part shall not be available for any layout design which has been commercially exploited in or outside Sri Lanka for more than two years prior to the commencement of this Act.

149. (1) Protection of a layout design under this Act shall commence—

Commencement and duration of protection.

- (i) on the date of the first commercial exploitation in or outside Sri Lanka of the layout design by, or with the consent of the right holder, provided an application for protection is filed by the right holder with the Director-General within the time specified in subsection (2) of section 150 ; or
- (ii) on the filing date accorded to the application for the registration of the layout design filed by the right holder, if the layout design has not been previously exploited commercially in or out side Sri Lanka.

(2) Protection of a layout design under this Part shall terminate at the end of the tenth calendar year from the date of commencement of such protection.

150. (1) The application for the registration of a layout design shall be in the prescribed form, and shall be accompanied by the prescribed fee and shall be filed in the Office. A separate application shall be filed in respect of each different layout design.

Requirements of the Application.

(2) Any person may apply for registration of a layout design if such layout design has not been commercially exploited, or if exploited, in or outside Sri Lanka the application for registration shall be made before the expiry of a period of two years from the date of such exploitation.

- (3) The application shall—
- (a) contain a request for the registration of the layout design in the Register of Layout Designs and a brief and precise description thereof ;
 - (b) specify the name, address, nationality of the applicant, and if he is resident outside Sri Lanka a postal address for service in Sri Lanka ;
 - (c) be accompanied by a copy of a drawing of the layout design along with information defining the electronic function which the integrated circuit is intended to perform ; however, the application may omit such parts in the copy or drawing that relate to the manner or manufacture of the integrated circuit, provided that the parts submitted are sufficient to allow the identification of the layout design ;
 - (d) specify whether the layout design is exploited in or outside Sri Lanka and the date of its first commercial exploitation, if any ;
 - (e) provide particulars establishing the right to protection under section 146 ;
 - (f) be accompanied by a declaration as to the originality of the layout design ;
 - (g) be accompanied by a power of attorney granted to the agent by the applicant, where the application is made through an agent.

(4) (a) Where the applicant fails to comply with the requirements specified in subsection (3) of this section the Director-General shall, notify the applicant of the same and require him to correct the defect made in the application within a period of two months from the date of such notification.

(b) Where the applicant complies with such requirements specified in paragraph (a) of this subsection, the Director-General shall accord the date of filing as the date of receipt of the application :

Provided however, such application should contain written statement of the need for the registration of the layout design, and information whereby the identity of the applicant can be established and shall be accompanied by a copy of the drawings of the layout design.

(c) Where the applicant fails to submit drawings of a layout design with the original application, but corrects the application for the registration of the layout design within the period specified in paragraph (a), the date of receipt of the corrections shall be deemed to be the date of filing of the application. The Director-General shall by a written communication confirm the filing date of the application to the applicant.

(d) Where the applicant fails, after notification by the Director-General, to correct the application within the period specified in paragraph (a), such application shall be deemed not to have been filed.

151. (1) The Director-General shall maintain a Register of Layout Designs and he shall register or cause to be registered of each protected layout design, in respect of which applications for registration have been accepted.

Registration of layout design in the Register.

(2) Where any application conforms to the requirements of section 150, the Director-General shall register the layout design in the Register of Layout Designs without examination of the originality of the layout design, the applicant's right to protection or the correctness of the facts stated in the application.

(3) The Register of Layout Designs shall contain the number, title, filing date and where indicated in the application under section 150 the date of first commercial exploitation in or outside Sri Lanka of the layout design as well as the name and address of the right holder, details relating to assignment, transfer, license contract and other prescribed particulars.

(4) Any person may refer the Register of Layout Designs and obtain extracts therefrom, subject to the payment of the prescribed fee.

(5) Every registration of a layout design shall be published in the Gazette.

Right to transfer
and rectification
of the Register.

152. (1) Where the essential elements of a layout design has been taken from a layout design of another person without his consent in writing, the second mentioned person may, in writing together with all relevant material necessary to substantiate his claim and the prescribed fee, request the Director-General to transfer the application to him. Where the application has already been registered the second mentioned person may, within one year from the date of publication of such registration write to the Director-General together with all relevant material necessary to substantiate his claim and the prescribed fee, requesting the Director-General to transfer the registration to him and to rectify the entry in the register accordingly.

(2) The Director-General shall forthwith send a copy of such request to the applicant or registered right holder, as the case may be, requiring him to furnish him with a counter claim within a period of two months from the date of such notice in the prescribed manner together with any material if any in his possession to prove his ownership of the layout design in question and the prescribed fee. The applicant or the registered right holder may send the Director-General a counter claim.

(3) Where the registered right holder or the applicant fails to provide any information as required under subsection (2) of this section, within the period specified, the Director-General shall allow the request of the second mentioned person and rectify the entry in the register.

(4) If the applicant or the right holder sends a counter-claim, as provided in subsection (2), the Director-General shall after hearing both parties and taking into consideration the merits of the case, shall make his determination and notify the parties of his determination.

(5) Where after the filing of the application the person to whom the right to protection belongs, gives his consent to the filing of that application, such consent shall, for all purposes, be deemed to be effective from the date of filing of such application.

153. (1) A protected layout design may be assigned or transmitted and such assignment or transmission shall be in writing, signed by or on behalf of the contracting parties.

Changes in the ownership and contractual licenses.

(2) Upon a request in writing signed by or on behalf of the assignor or transferor of the layout design the Director-General shall on payment of the prescribed fee, record in the register such particulars of change of ownership and publish such change. Such change shall have no effect against third parties until such recording is made.

(3) The right holder of layout design may grant a licence to another person or enterprise authorizing it to do any or all of the acts referred to in subsection (1) of section 148. Such license contract shall be in writing and signed by or on behalf of the contracting parties. Such license contract shall upon registration of the layout design be submitted to the Director-General together with prescribed fee, who shall record or cause to be recorded the existence of such license contract in the register. A license contract shall have no effect against third parties until it is so recorded.

154. (1) Any person interested in a layout design registered under section 151, or an appropriate Authority including the Director-General may file an application in the Court, for the cancellation of such registration on the following grounds :—

Cancellation of a Registration of a layout design.

(a) that the layout design is not protected under sections 147 ;

- (b) that the right holder is not entitled to protection under section 146; or
- (c) that the layout design has been commercially exploited in or out side Sri Lanka, before the filing of the application for registration of the layout design, and the application was not filed within the time limit specified in subsection (2) of section 148 and subsection (2) of section 150.

(2) On the establishment of grounds for cancellation of a part of a layout design, the registration applicable to such corresponding part only of the layout design, shall be cancelled.

(3) The Court may on an application made to it in writing by an interested party or any appropriate Authority including the Director-General, and where the registered owner of the layout design and every assignee, licensee or sub-licensee on record shall be made party, make order for the cancellation or partial cancellation of such registration.

(4) Any cancellation of a registration of layout design or part thereof, shall have the effect of making null and void the registration of a layout design or part thereof as the case may be, and as such it shall be effective from the date of commencement of the protection of such layout design.

(5) The Court shall notify the Director-General of its decision and the Director-General shall record such decision and publish a notice to that effect, in the Gazette.

Representation by an Agent.

155. Where the ordinary residence, or principal, of the applicant place of business, of the applicant is outside Sri Lanka, he shall be represented by an agent registered under section 175 of the Act.

Infringement.

156. (1) Infringement shall consist of the performance of any act in contravention of the provisions of section 148.

(2) The Court may grant an injunction, award damages or grant any other proper remedy —

(a) to a right holder to prevent an infringement or imminent infringement if he makes an application having reason to believe that a layout design has been made infringing the rights protected under section 148 of the Act ; or

(b) to a licensee, where the licensee makes an application to court, in the event of the right holder failing or neglecting to make an application to Court on his being made aware of such infringement by the licensee.

(3) The provisions of Chapter XXXV of this Act shall apply in respect of an infringement and the remedies available to a right holder or a licensee.

(4) Any action under subsection (2) may be initiated only after an application for registration of the layout design being filed with the Director-General.

157. Any person who, knowingly or intentionally contravenes the provisions of section 148, shall be guilty of an offence, and shall on conviction after trial before a Magistrate be liable to a fine not exceeding rupees five hundred thousand or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment and in the case of a second or subsequent conviction such fine or term of imprisonment or both such fine and imprisonment may be doubled. The Court may in addition order the seizure, forfeiture and destruction of the layout design, integrated circuits, articles or any material or implement, which have been used for or in the commission of the offence.

Offences.

158. The provisions of sections 125A and 125B of the Customs Ordinance and sections 163 to 174, 177, 180, 187, 191, 195 to 204 of the Act shall apply to and in relation to the layout designs of integrated circuits.

Application of certain provisions of the Act.

Interpretation.

159. In this Part unless the context otherwise requires—

“integrated circuit” means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in or on a piece of material and which is intended to perform an electronic function ;

“layout design” is synonymous with “topography” and means the three dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture ;

“right holder” means the natural person who, or the legal entity which, is to be regarded as the beneficiary of the protection referred to in section 146.

PART VIII

CHAPTER XXXII

UNFAIR COMPETITION AND UNDISCLOSED INFORMATION

Unfair
competition and
undisclosed
information.

160. (1) (a) Any act or practice carried out or engaged in, in the course of industrial or commercial activities, that is contrary to honest practices shall constitute an act of unfair competition.

(b) The provisions of this section shall apply independently of, and in addition to, other provisions of the Act protecting inventions, industrial designs, marks, trade names, literary, scientific and artistic works and other intellectual property.

(b) The publication of an application of a certification mark shall be in accordance with subsection (9) of section 111, which shall include a summary of the conditions to be appended to the registration.

(c) A certification mark registered under subsection (4) shall be deemed for all purposes be a registered mark.

(d) The conditions governing the use of a certification mark shall be open for public inspection in the same manner as the register.

(11) (a) The registered owner of a certification mark shall notify the Director-General in prescribed manner of any changes or amendments effected to the conditions governing the use of the mark.

(b) Any notification of such changes and amendments shall be recorded in the register on the payment of prescribed fee. Any change or amendment of conditions shall come into force only if they have been so recorded.

(c) The Director-General shall cause to be published in the Gazette a summary of the changes or amendments so recorded in the register.

PART VI

CHAPTER XXX

TRADE NAMES

143. A name or designation shall not be admissible as a trade name if, by reason of its nature or the uses to which it may be put, it is contrary to morality or public order or is likely to offend the religious or racial susceptibilities of any community or is likely to mislead trade circles or the public as to the nature of the enterprise identified by that name.

Prohibited trade names.

Protection of
trade name.

144. (1) Notwithstanding the provisions of any written law providing for the registration of a trade name, such name shall be protected, even prior to or without registration, against any unlawful act committed by a third party.

(2) Any subsequent use of a trade name by a third party, whether as a trade name or as a trade mark, service mark, collective mark or certification mark or any such use of similar trade name, trade mark, service mark or collective mark or certification mark likely to mislead the public shall be deemed to be unlawful.

(3) Section 122 of this Act shall apply to trade names.

Assignment and
transmission of
trade names.

145. (1) A trade name may be assigned or transmitted together with the assignment or transmission of the enterprise or part of the enterprise identified by that name.

(2) The provisions of section 123 shall apply, *mutatis mutandis*, to trade names.

PART VII

CHAPTER XXXI

LAYOUT DESIGNS OF INTEGRATED CIRCUITS

Right to
protection.

146. (1) The right to protection of a layout design shall belong to the creator of layout design. Where several persons have jointly created a layout design such persons shall be co-owners of the right to protection.

(2) The right to protection of a layout design made or created in the performance of a contract of employment or in the execution of a work shall, unless the terms of such contract of employment or contract for the execution of such work otherwise provides, belong to the employer or the person who commissioned the work, as the case may be.

(3) When a collective mark, is registered under subsection (1) it shall be deemed in all respects to be a registered mark.

(4) The conditions governing the use of a registered collective mark shall be open for public inspection in the same way as the register.

Changes in condition governing the use of collective marks.

141. (1) The registered owner of a collective mark shall notify the Director-General in the prescribed manner of any change or amendments effected in the conditions governing the use of the collective mark.

(2) Any notification of such change or amendment shall be recorded in the register on payment of the prescribed fee. Any such change or amendment in the condition shall be effectual only if they have been recorded.

(3) The Director-General shall cause a summary of such changes and amendments made in the conditions and recorded under subsection (2) to be published in the Gazette.

CHAPTER XXIX

CERTIFICATION MARKS

Certification marks.

142. (1) Subject to the provisions of this Chapter, provisions relating to marks shall apply to certification marks.

(2) In relation to a certification mark the reference in section 101 (signs of which a trade mark or service mark may consist) to distinguish goods or services of one enterprise from those of another enterprise shall be construed as a reference to distinguish goods or services which are certified from those which are not certified.

(3) Notwithstanding the provisions of section 103, a certification mark which consists of a sign or indication which may serve in trade to designate the geographical origin of the goods and services may be registered :

Provided, however, the owner of such mark is not entitled to prohibit the use of such sign or indication in accordance with honest practices in industrial or commercial matters and in particular by a person who is entitled to use a geographical name.

(4) An application for registration of a certification mark shall not be filed unless in the application the mark is designated as a certification mark and is accompanied by a copy of the conditions governing the use of the mark duly certified by the applicant.

(5) The conditions shall indicate the name of the person authorised to use the mark, the characteristics to be certified by the mark, how the owner is to test those characteristics and to supervise the use of the mark, the fees (if any) to be paid in connection with the operation of the mark and the procedures for resolving disputes. They may in addition contain further prescribed requirements under this section.

(6) A certification mark shall not be registered—

(a) if the owner of the certification mark carries on a business involving the supply of goods or services of the kind certified ; and

(b) unless the conditions governing the use of the mark,—

(i) comply with the provisions of subsection (5) and any other requirement imposed by regulations made under that subsection ; and

(ii) are not contrary to public policy or accepted principles of morality.

(7) In infringement proceedings brought by the owner of the registered certification mark any loss suffered, or likely to be suffered, by any authorised user shall be taken into account ; and the Court may give such directions as it thinks fit as to the extent to which the owner is to hold the proceeds of any pecuniary remedy on behalf of such users.

(8) Apart from the grounds of removal of a mark provided for in section 136, the registration of a certification mark may be removed on the ground—

- (a) that the owner has commenced such a business as is mentioned in paragraph (a) of subsection (6) ;
- (b) that the manner in which the mark has been used by the owner has caused it to become liable to mislead the public as to the character of significance of the mark ;
- (c) that the owner has failed to observe, or to secure observance of, the conditions governing the use of the mark ;
- (d) that the owner is no longer competent to certify the goods or services for which the mark is registered ;
- (e) that an amendment of the conditions have been made so that the conditions—
 - (i) no longer comply with the provisions of subsection (5) and any other condition imposed by regulations ;
 - (ii) are contrary to public policy and order or to the accepted principles of morality.

(9) Apart from the grounds of nullity provided in section 134 the registration of a certification mark may be declared null and void if it was registered contrary to the provisions of subsections (3), (4) and (5).

(10) (a) Registration of a certification mark shall be in such part of the register as the Director-General may decide, and a copy of the conditions, governing the use of the mark, shall be appended to such registration.

(b) The publication of an application of a certification mark shall be in accordance with subsection (9) of section 111, which shall include a summary of the conditions to be appended to the registration.

(c) A certification mark registered under subsection (4) shall be deemed for all purposes be a registered mark.

(d) The conditions governing the use of a certification mark shall be open for public inspection in the same manner as the register.

(11) (a) The registered owner of a certification mark shall notify the Director-General in prescribed manner of any changes or amendments effected to the conditions governing the use of the mark.

(b) Any notification of such changes and amendments shall be recorded in the register on the payment of prescribed fee. Any change or amendment of conditions shall come into force only if they have been so recorded.

(c) The Director-General shall cause to be published in the Gazette a summary of the changes or amendments so recorded in the register.

PART VI

CHAPTER XXX

TRADE NAMES

143. A name or designation shall not be admissible as a trade name if, by reason of its nature or the uses to which it may be put, it is contrary to morality or public order or is likely to offend the religious or racial susceptibilities of any community or is likely to mislead trade circles or the public as to the nature of the enterprise identified by that name.

Prohibited trade names.

137. Upon a final decision of the Court in respect of removing any registered mark from the register—

Date and effect of removal of mark.

- (1) the Court may, taking into account the date of the events and other circumstances which occasioned the removal of the mark, determine the date on which the registration of the mark shall be deemed to have ceased to have any legal effect ;
- (2) the Registrar of the Court shall communicate the decision of the Court to the Director-General who shall, if the Court decides that the mark be removed, enter in the register a record of such removal and cause the decision of Court to be published in the Gazette.

CHAPTER XXVIII

COLLECTIVE MARKS

138. (1) Subject to the provisions of this Chapter the provisions relating to marks shall apply to collective marks.

Collective marks.

(2) In relation to a collective mark, the reference in section 101 (signs of which a trade mark or service mark may consist) to distinguish goods or services of one enterprise from those of other enterprises shall be construed as a reference to distinguish goods or services of the enterprise which uses the collective mark from those of other enterprises.

(3) Notwithstanding the provisions of section 103 a collective mark may be registered which consists of a sign or indication which may serve, in trade, to indicate the geographical origin of the goods or services :

Provided, however, the owner of such a mark shall not be entitled to prohibit the use of such sign or indication in accordance with honest practices in industrial or commercial matters and in particular, by a person who is entitled to use a geographical name.

Application for
registration of
collective marks.

139. (1) An application for registration of a collective mark shall not be entertained unless in such application the mark is designated as a collective mark and the application is accompanied by a copy of conditions governing the use of the mark duly certified by the applicant.

(2) The conditions governing the use of the mark under subsection (1) shall define the common characteristics or quality of the goods or services which the collective mark shall designate, the conditions in which, and the person by whom it may be used, the exercise of effective control of the use of the mark and proper sanctions against the use of the mark contrary to such conditions. They shall contain further prescribed requirements under this section.

(3) A collective mark shall not be registered unless the conditions governing the use of the mark—

(a) comply with the provisions of subsection (2) and any requirement imposed by any regulation made thereunder ;

(b) are not contrary to public policy or accepted principles of morality.

(4) (a) An authorised user shall, subject to any agreement to the contrary between him and registered owner of the collective mark, be entitled to require the owner to take infringement proceedings in respect of any matter which affects his interests.

(b) If the owner—

(i) refuses to do so ; or

(ii) fails to do so within two months after being called upon to do so,

the authorised user may bring the proceedings in his own name as if he was the owner. The registered owner shall be made party to the action.

(c) In infringement proceedings brought by the owner of a registered collective mark, any loss suffered or likely to be suffered by any authorised user shall be taken into consideration by Court.

(5) The registration of the collective mark may be removed on the following grounds in addition to the grounds specified in section 136 :—

- (i) that the manner in which the mark has been used by the owner has caused it to become liable to mislead the public to understand or think that the mark has state patronage ;
- (ii) that the owner has failed to observe, or to secure the observance of, the conditions governing use of the mark ; or
- (iii) that an amendment of the conditions has been made so that the conditions—
 - (a) no longer comply with subsection (2) and any other condition imposed by regulation made under this Act ; or
 - (b) are contrary to public policy or to the accepted principles of morality.

(6) The registration of a collective mark shall be declared null and void in addition to the grounds of nullity specified in section 134 if it was registered in violation of the provisions of subsections (1), (2) and (3) of section 139.

140. (1) Registration of a collective mark shall be in such Part of the register as the Director-General may decide and a copy of the conditions governing the use of the mark shall be appended to the registration.

Registration and publication of collective marks.

(2) The publication of an application for a collective mark in accordance with subsection (9) of section 111 shall include a summary of the conditions to be appended to the registration.

(3) When a collective mark, is registered under subsection (1) it shall be deemed in all respects to be a registered mark.

(4) The conditions governing the use of a registered collective mark shall be open for public inspection in the same way as the register.

Changes in condition governing the use of collective marks.

141. (1) The registered owner of a collective mark shall notify the Director-General in the prescribed manner of any change or amendments effected in the conditions governing the use of the collective mark.

(2) Any notification of such change or amendment shall be recorded in the register on payment of the prescribed fee. Any such change or amendment in the condition shall be effectual only if they have been recorded.

(3) The Director-General shall cause a summary of such changes and amendments made in the conditions and recorded under subsection (2) to be published in the Gazette.

CHAPTER XXIX

CERTIFICATION MARKS

Certification marks.

142. (1) Subject to the provisions of this Chapter, provisions relating to marks shall apply to certification marks.

(2) In relation to a certification mark the reference in section 101 (signs of which a trade mark or service mark may consist) to distinguish goods or services of one enterprise from those of another enterprise shall be construed as a reference to distinguish goods or services which are certified from those which are not certified.

(3) Notwithstanding the provisions of section 103, a certification mark which consists of a sign or indication which may serve in trade to designate the geographical origin of the goods and services may be registered :

CHAPTER XXVII

REMOVAL OF MARK

Removal of mark.

136. (1) The Court may on the application of any person showing a legitimate interest, or of any Competent Authority including the Director-General, to which the registered owner of the mark and every assignee, licensee or sub-licensee on record shall be made party, remove any registered mark from the register—

- (a) if the registered owner has, without valid grounds, failed to use the mark within Sri Lanka or cause it to be used within Sri Lanka by virtue of a licence, during five consecutive years immediately preceding the date of the application to Court ;
- (b) if the registered owner has caused, provoked or tolerated the transformation of the mark into a generic name for one or more of the goods or services in respect of which the mark is registered so that in trade circles and in the eyes of the public its significance as a mark has been lost.

(2) In any application under paragraph (a) of subsection (1) the Court may take into account the fact that non-use of the mark was due to circumstances beyond the control of the registered owner. The Court shall not take into account the lack of funds of the registered owner as a ground for non-use of the mark.

(3) The use of a mark—

- (a) in a form differing, in elements which do not alter the distinctive character of the mark, from the form in which it was registered, shall not be a ground for removal of the mark ;
- (b) in connection with one or more of the goods or services belonging to any given class in respect of which the mark is registered, shall suffice to prevent the removal of the mark in respect of all the other goods or services of the same class.

137. Upon a final decision of the Court in respect of removing any registered mark from the register—

Date and effect of removal of mark.

- (1) the Court may, taking into account the date of the events and other circumstances which occasioned the removal of the mark, determine the date on which the registration of the mark shall be deemed to have ceased to have any legal effect ;
- (2) the Registrar of the Court shall communicate the decision of the Court to the Director-General who shall, if the Court decides that the mark be removed, enter in the register a record of such removal and cause the decision of Court to be published in the Gazette.

CHAPTER XXVIII

COLLECTIVE MARKS

138. (1) Subject to the provisions of this Chapter the provisions relating to marks shall apply to collective marks.

Collective marks.

(2) In relation to a collective mark, the reference in section 101 (signs of which a trade mark or service mark may consist) to distinguish goods or services of one enterprise from those of other enterprises shall be construed as a reference to distinguish goods or services of the enterprise which uses the collective mark from those of other enterprises.

(3) Notwithstanding the provisions of section 103 a collective mark may be registered which consists of a sign or indication which may serve, in trade, to indicate the geographical origin of the goods or services :

Provided, however, the owner of such a mark shall not be entitled to prohibit the use of such sign or indication in accordance with honest practices in industrial or commercial matters and in particular, by a person who is entitled to use a geographical name.

Effect of nullity of registration on licence contract.

131. Where, before the expiration of the licence contract, the registration is declared null and void, the licensee shall no longer be required to make any payment to the licensor under the licence contract, and shall be entitled to repayment of the payments already made :

Provided that the licensor shall not be required to make any repayment, or shall be required to make repayment only in part, to the extent that he can prove that any such repayment would be inequitable under all the circumstances, in particular if the licensee has effectively profited from the licence.

Expiry, termination or invalidation of licence contract.

132. The Director-General shall –

- (a) if he is satisfied that a licence contract recorded under subsection (2) of section 125 has expired or been terminated, record that fact in the register upon a request made in writing to that effect signed by or on behalf of the parties thereto ;
- (b) record in the register the expiry, termination, annulment or invalidation of a licence contract under any provision of this Part.

CHAPTER XXVI

RENUNCIATION AND NULLITY OF REGISTRATION OF A MARK

Renunciation of registration.

133. (1) The registered owner of a mark may renounce the registration, either wholly or in respect of part of the goods or services for which the mark is registered, by a declaration in writing signed by him or on his behalf and forwarded to the Director-General.

(2) The Director-General shall, on receipt of the said declaration, record it in the register and cause such record to be published in the Gazette.

(3) The renunciation shall take effect from the date that the Director-General receives the said declaration.

(4) Where a licence contract in respect of a mark is recorded in the register the Director-General shall not, in the absence of provision to the contrary in such licence contract, accept or record the said renunciation except upon receipt of a signed declaration by which any assignee, licensee or sub-licensee on record consents to the renunciation, unless his consent is expressly waived in the licence contract.

134. (1) The Court may on the application of any person showing a legitimate interest, or of any competent Authority including the Director-General, to which the registered owner of the mark and every assignee, licensee or sub-licensee on record shall be made party, declare the registration of the mark null and void if its registration is precluded under the provisions of sections 103 and 104 :

Nullity of registration.

Provided, however, that grounds of nullity which do not exist on the date of the application to Court, shall not be taken into account.

(2) Where the grounds for nullity of registration of the mark exist in respect of only part of the goods or services for which the mark is registered, nullity of the registration shall be declared for that part only for such goods or services.

(3) An application for a declaration of nullity based on any of the grounds specified in subsection (1) of section 104 shall be made within five years from the date of issue of the certificate of registration under subsection (3) of section 113.

135. (1) Upon a final decision of the Court declaring total or partial nullity of registration of a mark, the registration shall be deemed to have been null and void totally or partially, as the case may be, from the date of such registration.

Date and effect of nullity.

(2) When a declaration of nullity becomes final the Registrar of the Court shall notify the Director-General of such fact and he shall record the said declaration in the register and cause it to be published in the Gazette.

(4) No such assignment or transmission shall be recorded in the register unless the prescribed fee has been paid to the Director-General.

(5) No such assignment or transmission shall have effect against third parties unless so recorded in the register.

CHAPTER XXV

LICENCE CONTRACTS

124. (1) For the purposes of this Part licence contract means any contract by which the registered owner of a mark (hereinafter referred to as “the licensor”) grants to another person or enterprise (hereinafter referred to as “the licensee”) a licence to use the mark for all or part of the goods or services in respect of which the mark is registered. Interpretation.

(2) Use of the mark by the licensee shall be deemed to be use of the mark by the registered owner.

125. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties. Form and record of licence contract.

(2) Upon a request in writing signed by or on behalf of the contracting parties, the Director-General shall, on payment of the prescribed fee, record in the register such particulars relating to the contract as the parties thereto might wish to have recorded :

Provided that the parties shall not be required to disclose or have recorded any other particulars relating to such contract.

126. In the absence of any provision to the contrary in the licence contract, the licensee shall – Rights of licensee.

- (a) be entitled to use the mark within the territory of Sri Lanka, during the entire period of registration of the mark, including renewals, in respect of all the goods or services for which the mark is registered ;

- (b) not be entitled to assign or transmit his rights under the licence contract or grant sub-licences to third parties.

Rights of licensor.

127. (1) In the absence of any provision to the contrary in the licence contract, the licensor may grant further licences to third parties in respect of the same mark or himself use the mark.

(2) Where the licence contract provides the licence to be exclusive, the licensor shall not grant further licences to third parties in respect of the same mark or himself use the mark unless the contract otherwise provides.

Nullity of licence contract and certain clauses.

128. (1) A licence contract shall be null and void in the absence of stipulations ensuring effective control by the licensor of the quality of the goods or services in respect of which the mark may be used.

(2) Any clause or condition in a licence contract shall be null and void in so far as it imposes upon the licensee restrictions not derived from the rights conferred by this Part on the registered owner of the mark, or which are unnecessary for the safeguarding of such rights :

Provided that –

- (a) restrictions concerning the scope, extent, duration of use of the mark or the geographical area in or the quality or quantity of the goods or services in connection with which the mark may be used ;
- (b) restrictions justified by the stipulations referred to in subsection (1) ; and
- (c) obligations imposed upon the licensee to abstain from all acts capable of prejudicing the validity of the registration of the mark,

shall not be deemed to constitute a restrictions as mentioned above.

129. The Court may on the application of any person showing a legitimate interest, or of any Authority including the Director-General, to which the registered owner of the mark and every assignee, licensee or sub-licensee on record shall be made party, annul and cancel the said contract if—

Cancellation of
licence contracts.

- (a) the licensor has lost effective control over the quality of the goods or services in respect of which the mark is used ;
- (b) the licensee has used the mark in such a way as to mislead or confuse the public.

130. (1) Where the Director-General has reasonable cause to believe that any licence contract or any amendment or renewal thereof –

Licence contracts
involving
payments abroad.

- (a) which involves the payment of royalties abroad ; or
- (b) which by reason of other circumstances relating to such licence contract,

is detrimental to the economic development of Sri Lanka he shall in writing communicate such fact to the Governor of the Central Bank and transmit all papers in his custody relevant to a decision on such matter, to the Governor of the Central Bank.

(2) Where the Governor of the Central Bank on receipt of any communication under subsection (1) informs the Director-General in writing that the said licence contract or any amendment or renewal thereof is detrimental to the economic development of Sri Lanka the Director-General shall cancel and invalidate the record of such contract in the register.

(3) The provisions of this section shall, *mutatis mutandis*, apply to assignments and transmissions.

(4) The provisions of this Chapter shall, *mutatis mutandis*, apply to sub-licences.

Effect of nullity of registration on licence contract.

131. Where, before the expiration of the licence contract, the registration is declared null and void, the licensee shall no longer be required to make any payment to the licensor under the licence contract, and shall be entitled to repayment of the payments already made :

Provided that the licensor shall not be required to make any repayment, or shall be required to make repayment only in part, to the extent that he can prove that any such repayment would be inequitable under all the circumstances, in particular if the licensee has effectively profited from the licence.

Expiry, termination or invalidation of licence contract.

132. The Director-General shall –

- (a) if he is satisfied that a licence contract recorded under subsection (2) of section 125 has expired or been terminated, record that fact in the register upon a request made in writing to that effect signed by or on behalf of the parties thereto ;
- (b) record in the register the expiry, termination, annulment or invalidation of a licence contract under any provision of this Part.

CHAPTER XXVI

RENUNCIATION AND NULLITY OF REGISTRATION OF A MARK

Renunciation of registration.

133. (1) The registered owner of a mark may renounce the registration, either wholly or in respect of part of the goods or services for which the mark is registered, by a declaration in writing signed by him or on his behalf and forwarded to the Director-General.

(2) The Director-General shall, on receipt of the said declaration, record it in the register and cause such record to be published in the Gazette.

(3) The renunciation shall take effect from the date that the Director-General receives the said declaration.

Limitation of registered owners's rights.

122. The registration of the mark shall not confer on its registered owner the right to preclude third parties –

- (a) from using their *bona fide* names, addresses, pseudonyms, a geographical name, or exact indications concerning the kind, quality, quantity, destination, value, place of origin or time of production or of supply of their goods and services, in so far as such use is confined to the purposes of mere identification or information and cannot mislead the public as to the source of the goods or services ;
- (b) from using the mark in relation to goods lawfully manufactured, imported, offered for sale, sold, used or stocked in Sri Lanka under that mark, provided that such goods have not undergone any change.

CHAPTER XXIV

ASSIGNMENT AND TRANSMISSION OF APPLICATIONS AND REGISTRATIONS OF MARKS

Assignment and transmission of applications and registrations.

123. (1) An application for registration or the registration of a mark may be assigned or transmitted independently of the transfer of all or part of the enterprise using the mark, in respect of all or part of the goods or services for which the application was filed or the mark registered and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.

(2) Such assignment or transmission shall be invalid if the purpose or effect thereof is to mislead the public, in particular in respect of the nature, source, manufacturing process, characteristics or suitability for their purpose of the goods or services to which the mark is applied.

(3) Any person becoming entitled by assignment or transmission to an application for registration or the registration of a mark may apply to the Director-General in the prescribed manner to have such assignment or transmission recorded in the register.

(4) No such assignment or transmission shall be recorded in the register unless the prescribed fee has been paid to the Director-General.

(5) No such assignment or transmission shall have effect against third parties unless so recorded in the register.

CHAPTER XXV

LICENCE CONTRACTS

124. (1) For the purposes of this Part licence contract means any contract by which the registered owner of a mark (hereinafter referred to as “the licensor”) grants to another person or enterprise (hereinafter referred to as “the licensee”) a licence to use the mark for all or part of the goods or services in respect of which the mark is registered. Interpretation.

(2) Use of the mark by the licensee shall be deemed to be use of the mark by the registered owner.

125. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties. Form and record of licence contract.

(2) Upon a request in writing signed by or on behalf of the contracting parties, the Director-General shall, on payment of the prescribed fee, record in the register such particulars relating to the contract as the parties thereto might wish to have recorded :

Provided that the parties shall not be required to disclose or have recorded any other particulars relating to such contract.

126. In the absence of any provision to the contrary in the licence contract, the licensee shall – Rights of licensee.

- (a) be entitled to use the mark within the territory of Sri Lanka, during the entire period of registration of the mark, including renewals, in respect of all the goods or services for which the mark is registered ;

CHAPTER XXIII

RIGHTS OF THE REGISTERED OWNER OF A MARK

121. (1) Subject and without prejudice to the other provisions of this Part, the registered owner of a mark shall have the following exclusive rights in relation to the mark :—

Rights of
registered owner.

- (a) to use the mark ;
- (b) to assign or transmit the registration of the mark ;
- (c) to conclude licence contracts.

(2) Without the consent of the registered owner of the mark third parties are precluded from the following acts :—

- (a) any use of the mark, or a sign resembling it in such a way as to be likely to mislead the public, for goods or services in respect of which the mark is registered or for similar goods or services in connection with which the use of the mark or sign is likely to mislead the public ; and
- (b) any other use of the mark, or of a sign or trade name resembling it, without just cause and in conditions likely to be prejudicial to the interests of the registered owner of the mark.

(3) The application (whether by way of printing, painting or otherwise) or the affixing in Sri Lanka by a third party, of a mark or any sign resembling such mark in such a way as to be likely to mislead the public, on or in connection with, goods in respect of which such mark has been registered (whether such goods are intended for sale in Sri Lanka, or for export from Sri Lanka) shall be deemed to be an act prohibited under Subsection (2).

(4) The court shall presume the likelihood of misleading the public in instances where a person uses a mark identical to the registered mark for identical goods or services in respect of which the mark is registered.

Limitation of registered owners's rights.

122. The registration of the mark shall not confer on its registered owner the right to preclude third parties –

- (a) from using their *bona fide* names, addresses, pseudonyms, a geographical name, or exact indications concerning the kind, quality, quantity, destination, value, place of origin or time of production or of supply of their goods and services, in so far as such use is confined to the purposes of mere identification or information and cannot mislead the public as to the source of the goods or services ;
- (b) from using the mark in relation to goods lawfully manufactured, imported, offered for sale, sold, used or stocked in Sri Lanka under that mark, provided that such goods have not undergone any change.

CHAPTER XXIV

ASSIGNMENT AND TRANSMISSION OF APPLICATIONS AND REGISTRATIONS OF MARKS

Assignment and transmission of applications and registrations.

123. (1) An application for registration or the registration of a mark may be assigned or transmitted independently of the transfer of all or part of the enterprise using the mark, in respect of all or part of the goods or services for which the application was filed or the mark registered and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.

(2) Such assignment or transmission shall be invalid if the purpose or effect thereof is to mislead the public, in particular in respect of the nature, source, manufacturing process, characteristics or suitability for their purpose of the goods or services to which the mark is applied.

(3) Any person becoming entitled by assignment or transmission to an application for registration or the registration of a mark may apply to the Director-General in the prescribed manner to have such assignment or transmission recorded in the register.

114. The Director-General shall cause to be published in the Gazette, in the prescribed form, all registered marks in the order of their registration, including in respect of each mark so published reference to such particulars as may be prescribed.

Publication of registered marks.

115. Any person may examine the register and may obtain certified extracts therefrom on payment of the prescribed fee.

Examination of register and certified copies.

116. Where application is made for the registration of a mark identical with or so closely resembling a mark of the applicant already on the register for the same goods or services, the same description of goods or services as to be likely to mislead or cause confusion if used by a person other than the applicant, the Director-General may require as a condition of registration that such marks shall be entered on the register as associated marks.

Associated marks.

117. Associated marks shall be assignable or transmissible only as a whole and not separately, but they shall for all other purposes be deemed to have been registered as separate marks :

Assignment and user of associated marks.

Provided that where under the provisions of this Part user of a registered mark is required to be proved for any purpose, the Director-General may, in so far as is considered necessary accept the user of an associated registered mark, or of the mark, with additions or alterations not substantially affecting its identity, as an equivalent for such user.

CHAPTER XXII

DURATION OF REGISTRATION OF A MARK

118. (1) Subject and without prejudice to the other provisions of this Part, registration of a mark shall expire ten years after the date of registration of such mark.

Duration of registration.

(2) A mark when registered shall be registered with reference to the date of receipt of the application for registration by the Director-General, and such date shall be deemed for the purposes of this Part to be the date of registration.

Renewal.

119. (1) Registration of a mark may be renewed for consecutive periods of ten years each on payment of the prescribed fee.

(2) Renewal of registration of a mark shall not be subject to any further examination of the mark by the Director-General or to opposition by any person.

(3) The renewal fee shall be paid within the twelve months preceding the date of expiration of the period of registration :

Provided, however, that a period of grace of six months shall be allowed for the payment of the fee after the date of such expiration, upon payment of such surcharge as may be prescribed.

(4) The Director-General shall record in the register and cause to be published in the Gazette in the prescribed form all renewals of registration specifying any removal from the lists of goods or services.

(5) Where the renewal fee has not been paid within such period or such extended period specified in subsection (3), the Director-General shall remove the mark from the register.

Alteration of
registered mark.

120. The registered owner of any mark may apply in the prescribed manner and with prescribed fee to the Director-General for leave to add to or alter such mark in any manner not substantially affecting the identity of the same, and the Director-General may refuse such leave or may grant the same on such terms and subject to such limitations as to mode or place of use as he may think fit. If leave be granted, the mark as altered shall be published in the prescribed manner.

(3) The Director-General shall, in applying the provisions of paragraphs (a) to (e) of subsection (1), have regard to the fact that the third parties referred to therein have consented to the registration of such mark.

105. There shall not be entered in the register a notice of any Trust expressed, implied, or constructive, nor shall any such notice be receivable by the Director-General.

Trust not to be entered in register.

CHAPTER XXI

REQUIREMENTS OF APPLICATION AND PROCEDURE FOR REGISTRATION

106. (1) An application for registration of a mark shall be made to the Director-General in the prescribed form and shall contain —

Requirements of application.

- (a) a request for the registration of the mark ;
- (b) the name, address of the applicant and, if he is resident outside Sri Lanka, a postal address for service in Sri Lanka ;
- (c) five copies of a representation of the mark ;
- (d) a clear and complete list of the particular goods or services in respect of which registration of the mark is requested, with an indication of the corresponding class or classes in the international classification, as may be prescribed.

(2) Where the application is filed through an agent, it shall be accompanied by a power of attorney granted to such agent by the applicant.

107. An applicant for registration of a mark who wishes to avail himself of the priority of an earlier application filed in a Convention country shall, within six months of the date of such earlier application, append to his application a written declaration indicating the date and number of the earlier application, the name of the applicant and the country in

Right of priority.

which he or his predecessor in title filed such application and shall, within a period of three months from the date of the later application filed in Sri Lanka, furnish a copy of the earlier application certified as correct by the appropriate authority of the country where such earlier application was filed.

Temporary protection of mark exhibited at international exhibition.

108. (1) An applicant for registration of a mark who has exhibited goods bearing the mark or rendered services under the mark at an official or officially recognized international exhibition and who applies for registration of the mark within six months from the date on which the goods bearing the mark or services under the mark were first exhibited or services respectively at such exhibition, shall on request, be deemed to have applied for registration of that mark on the date on which the goods bearing the mark or the services rendered under the mark were first exhibited or rendered at such exhibition.

(2) Evidence of the exhibition of the goods bearing the mark or the services rendered under the mark shall be by a certificate issued by the appropriate Authority of the exhibition stating the date on which the mark was first used at such exhibition in connection with such goods or services.

(3) The provisions of subsections (1) and (2) shall not extend to any other period of priority claimed by the applicant.

Application fee.

109. An application for registration of a mark shall not be entertained unless the prescribed fee has been paid to the Director-General.

Examination of application as to form.

110. (1) The Director-General shall examine whether the applicant for registration of the mark satisfies the requirements specified in sections 106 and 109 and where applicable the provisions of sections 107 and 108.

(2) Where the applicant fails to comply with the provision of sections 106 and 109, the Director-General shall refuse to register the mark :

Provided however the Director-General shall first notify the applicant of any defect in the application and shall afford him an opportunity to rectify such defect within three months from the date of receipt of such notification.

(3) The date on which the applicant rectifies such defect shall be deemed to be the date of receipt of the application for registration.

(4) Where the applicant fails to comply with the provisions of section 107 or 108, the Director-General shall not, in connection with the registration of the mark, make any reference to the priority claimed.

(5) Where the applicant complies with the provisions of sections 107 and 108, the Director-General shall in connection with the registration of the mark record the priority claimed or the date of the certified use of the mark at an international exhibition.

(6) Where the Director-General refuses to register a mark, he shall, if so requested by the applicant, state in writing the grounds of his decision.

111. (1) Where the applicant complies with the provisions of sections 106 and 109, the Director-General shall examine the mark in relation to the provisions of sections 103 and 104.

Registration of mark after further examination and publication of mark.

(2) Where the mark is inadmissible under section 103 or 104 the Director-General shall notify the applicant accordingly stating in writing the grounds on which registration of the mark is refused.

(3) Where the applicant is dissatisfied with all or any of the grounds stated by the Director-General in the notification referred to in subsection (2) he may, within a period of one month from the date of such notification, make his submissions against such refusal to the Director-General, in writing .

(4) On receipt of any submissions the Director-General may inform the applicant that he has been granted a hearing and the date, time and place of such hearing.

(5) The Director-General may, after such inquiry as he thinks fit, refuse to accept the application for registration of the mark, or may accept it absolutely or subject to conditions, amendments or modifications, or to such limitations, if any, as to the mode or place of user or otherwise as he may think fit to impose.

(6) In case of any refusal or conditional acceptance of an application for registration of a mark, the Director-General shall, if required by the applicant within a period of three months from such refusal or conditional acceptance, state in writing the grounds of his decision.

(7) Where the Director-General is of the opinion that the mark is admissible under section 103 or 104 he may request the applicant to pay the prescribed fee within a prescribed period for publication of the application.

(8) The Director-General shall refuse registration of the mark where the fee for publication of the application is not paid within the prescribed period.

(9) (a) If the fee for publication is paid within the prescribed period the Director-General shall proceed to publish the application setting out the date of application, the representation of the mark, the goods or services in respect of which registration of the mark is requested with an indication of the corresponding class or classes, the name and address of the applicant and, if the applicant is resident outside Sri Lanka, a postal address for service in Sri Lanka, the priority claimed, if any, or the date of certified use of the mark at an international exhibition.

(b) Notwithstanding the provisions of subsections (7), (8) and paragraph (a) of this subsection relating to the prescribed fee and the publication, the Director-General may, at his discretion, require the applicant by notice in writing to publish an application as referred to in paragraph (a) of this subsection. Where the applicant fails or neglects to publish such application within a period of three months from the date of such notice the application may be refused.

(10) Where any person considers that the mark is inadmissible on one or more of the grounds specified in section 103 or 104 he may, within a period of three months from the date of publication of the application, give to the Director-General in the prescribed form, and together with the prescribed fee, notice of opposition to such registration stating his grounds of opposition accompanied by evidence to substantiate such grounds.

(11) Where notice of opposition has not been received by the Director-General within the period specified in subsection (10) of this section, the Director-General shall register the mark.

(12) Where, within the period specified in subsection (10) of this section notice of grounds of opposition in the prescribed form is received by the Director-General, together with the prescribed fee, he shall serve a copy of such grounds of opposition on the applicant and shall request him to present his observations on those grounds in writing accompanied by evidence to support his application within a period of three months.

(13) On receipt of the observations of the applicant the Director-General shall after hearing the parties, if he considers such hearing necessary, decide, as expeditiously as possible, whether such mark should be registered or not. If the Director-General decides that the mark can be registered, then if —

- (a) no appeal is preferred against his decision, upon the expiry of the period within which an appeal may be preferred against his decision ;
- (b) an appeal is preferred against his decision, upon the determination of such appeal,

the Director-General shall accordingly register such mark.

(14) The Director-General may allow a reasonable extension of the prescribed period within which any act has to be done or any fee has to be paid under this section.

Non completion
of registration.

112. Where, by reason of default on the part of the applicant, the registration of a mark is not completed within twelve months from the date of receipt by the Director-General of the application, the Director-General shall, after giving notice of non-completion to the applicant in writing in the prescribed form, treat the application as abandoned, unless it is completed within the time specified in that behalf in such notice.

Register of marks
and issue of
certificate.

113. (1) The Director-General shall keep and maintain a register called the “Register of Marks” wherein shall be recorded in the order of their registration, all registered marks and such other matters relating to marks as are authorized or directed by this Part to be so recorded or may from time to time be prescribed.

(2) The registration of a mark shall include a representation of the mark and shall specify its number, the name and address of the registered owner and, if the registered owner’s address is outside Sri Lanka, a postal address for service in Sri Lanka, the dates of application and registration ; if priority is validly claimed, an indication of that fact and the number, date and country of the application on the basis of which the priority is claimed, if a valid certificate has been filed relating to the use of a mark at an international exhibition, the contents of such certificate, the list of goods and services in respect of which registration of the mark has been granted with an indication of the corresponding class or classes.

(3) Upon the registration of a mark the Director-General shall issue to the registered owner thereof a certificate of registration and shall, at the request of the registered owner, send such certificate to him by registered post to his last recorded postal address in Sri Lanka, or if he is resident outside Sri Lanka to his last recorded postal address in Sri Lanka.

114. The Director-General shall cause to be published in the Gazette, in the prescribed form, all registered marks in the order of their registration, including in respect of each mark so published reference to such particulars as may be prescribed.

Publication of registered marks.

115. Any person may examine the register and may obtain certified extracts therefrom on payment of the prescribed fee.

Examination of register and certified copies.

116. Where application is made for the registration of a mark identical with or so closely resembling a mark of the applicant already on the register for the same goods or services, the same description of goods or services as to be likely to mislead or cause confusion if used by a person other than the applicant, the Director-General may require as a condition of registration that such marks shall be entered on the register as associated marks.

Associated marks.

117. Associated marks shall be assignable or transmissible only as a whole and not separately, but they shall for all other purposes be deemed to have been registered as separate marks :

Assignment and user of associated marks.

Provided that where under the provisions of this Part user of a registered mark is required to be proved for any purpose, the Director-General may, in so far as is considered necessary accept the user of an associated registered mark, or of the mark, with additions or alterations not substantially affecting its identity, as an equivalent for such user.

CHAPTER XXII

DURATION OF REGISTRATION OF A MARK

118. (1) Subject and without prejudice to the other provisions of this Part, registration of a mark shall expire ten years after the date of registration of such mark.

Duration of registration.

CHAPTER XX

ADMISSIBILITY OF MARKS

Admissibility of marks.

102. (1) The exclusive right to a mark conferred by this Part shall be acquired, subject to the succeeding provisions, by registration.

(2) Registration of a mark may be granted to the person who—

(a) is the first to fulfill the conditions of a valid application ; or

(b) is the first to validly claim the earliest priority for his application :

Provided however such mark shall not be inadmissible under sections 103 and 104.

(3) A mark may consist in particular, of arbitrary or fanciful designations, names, pseudonyms, geographical names, slogans, devices, reliefs, letters, numbers, labels, envelopes, emblems, prints, stamps, seals, vignettes, selvedges, borders and edgings, combinations or arrangements of colours and shapes of goods or containers.

Marks inadmissible on objective grounds.

103. (1) A mark shall not be registered—

(a) which consists of shapes or forms imposed by the inherent nature of the goods or services or by their industrial function ;

(b) which consists exclusively of a sign or indication which may serve, in the course of trade, to designate the kind, quality, quantity, intended purpose, value, place of origin or time of production, or of supply, of the goods or services concerned ;

- (c) which consists exclusively of a sign or indication which has become, in the current language or in the *bona fide* and established practices of trade in Sri Lanka, a customary designation of the goods or services concerned ;
- (d) which, is incapable of distinguishing the goods or services of one enterprise from those of another enterprise ;
- (e) which consists of any scandalous design or is contrary to morality or public order or which, in the opinion of the Director-General or of any court to which the matter may be referred to, as the case may be, is likely to offend the religious or racial susceptibilities of any community ;
- (f) which is likely to mislead trade circles or the public as to the nature, the source, geographical indication the manufacturing process, the characteristics, or the suitability for their purposes, of the goods or services concerned ;
- (g) which does not represent in a special or particular manner the name of an individual or enterprise ;
- (h) which is, according to its ordinary signification, a geographical name or surname ;
- (i) which reproduces or imitates armorial bearings, flags or other emblems, initials, names or abbreviated names of any State or any inter-governmental international organization or any organization created by international convention, unless authorized by the Competent Authority of that State or international organization ;
- (j) which reproduces or imitates official signs or hall-marks of a State, unless authorized by the Competent Authority of that State ;

- (k) which resembles in such a way as to be likely to mislead the public, a mark or a collective mark or a certification mark the registration of which has expired and has not been renewed during a period of two years preceding the filing of the application for the registration of the mark in question or where its renunciation, removal or nullity has been recorded in the register during a period of two years preceding the filing of the application for the mark in question ;
- (l) the registration of which has been sought in respect of goods or services the trading of which is prohibited in Sri Lanka ;
- (m) which consists of any other word or definition as may be prescribed.

(2) The Director-General shall in applying the provisions of paragraphs (b), (c) , (d), (f), (g) and (h), of subsection (1), have regard to all the factual circumstances and, in particular, the length of time the mark has been in use in Sri Lanka or in other countries and the fact that the mark is held to be distinctive in other countries or in trade circles.

Marks inadmissible by reason of third-party rights.

104. (1) The Director-General shall not register a mark —

- (a) which resembles, in such a way as to be likely to mislead the public, a mark already validly filed or registered by a third party, or subsequently filed by a person validly claiming priority, in respect of identical or similar goods or services in connection with which the use of such mark may be likely to mislead the public ;
- (b) which resembles, in such a way as to be likely to mislead the public, an unregistered mark used earlier in Sri Lanka by a third party in connection with identical or similar goods or services, if the applicant is aware, or could not have been unaware, of such use ;

- (c) which resembles, in such a way as to be likely to mislead the public, a trade name already used in Sri Lanka by a third party, if the applicant is aware, or could not have been unaware, of such use ;
- (d) if it is identical with, or misleadingly similar to, or constitutes or translation or transliteration or transcription of a mark or trade name which is well known in Sri Lanka for identical or similar goods or services of a third party, or such mark or trade name is well known and registered in Sri Lanka for goods or services which are not identical or similar to these in respect of which registration is applied for, provided in the latter case the use of the mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the well known mark and that the interests of the owner of the well known mark are likely to be damaged by such use ;
- (e) which infringes other third party rights or is contrary to the provisions of Chapter XXXII relating to the prevention of unfair competition ;
- (f) which is filed by the agent or a representative of a third party who is the owner of such mark in another country, without the authorization of such owner, unless the agent or representative justifies his action.

(2) The following criteria shall be taken into account in determining whether a mark is well known :—

- (i) particular facts and circumstances relating to each mark ;
- (ii) any fact or circumstance from which it may be inferred that the mark is well known ;
- (iii) the degree of knowledge or recognition of the mark of the relevant sector of the public ;
- (iv) the duration, extent and geographical area of use of the mark ;

- (v) the duration, extent and geographical area of promotion of the mark, including advertising or publicity and the presentation at any fair or exhibition of the goods or services to which the mark applies ;
- (vi) the duration and geographical area of the registration or the application for registration, of the mark, to the extent that they reflect use or recognition of the mark ;
- (vii) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark has been recognized as being well known, by the Competent Authority ;
- (viii) the value associated with the mark ;
- (ix) the criteria specified in this subsection to determine whether a mark is well known or not shall not be exclusive nor exhaustive ;
- (x) for the purpose of this subsection —
 - (a) “Competent Authority” means an administrative, judicial or quasi-judicial authority which is competent, to determine whether a mark is well known mark or to enforce the protection given to a well known mark ;
 - (b) “relevant sector of public” includes :—
 - (i) actual or potential consumers of the types of goods or services to which the mark applies ;
 - (ii) persons involved in channels of distribution of the types of goods or services to which the mark applies ;
 - (iii) any person or a body of persons dealing with the type of goods or services to which the mark applies.

(3) The Director-General shall, in applying the provisions of paragraphs (a) to (e) of subsection (1), have regard to the fact that the third parties referred to therein have consented to the registration of such mark.

105. There shall not be entered in the register a notice of any Trust expressed, implied, or constructive, nor shall any such notice be receivable by the Director-General.

Trust not to be entered in register.

CHAPTER XXI

REQUIREMENTS OF APPLICATION AND PROCEDURE FOR REGISTRATION

106. (1) An application for registration of a mark shall be made to the Director-General in the prescribed form and shall contain —

Requirements of application.

- (a) a request for the registration of the mark ;
- (b) the name, address of the applicant and, if he is resident outside Sri Lanka, a postal address for service in Sri Lanka ;
- (c) five copies of a representation of the mark ;
- (d) a clear and complete list of the particular goods or services in respect of which registration of the mark is requested, with an indication of the corresponding class or classes in the international classification, as may be prescribed.

(2) Where the application is filed through an agent, it shall be accompanied by a power of attorney granted to such agent by the applicant.

107. An applicant for registration of a mark who wishes to avail himself of the priority of an earlier application filed in a Convention country shall, within six months of the date of such earlier application, append to his application a written declaration indicating the date and number of the earlier application, the name of the applicant and the country in

Right of priority.

PART V

CHAPTER XIX

MARKS AND TRADE NAMES

101. For the purposes of this Part, unless the context otherwise requires— Definitions.

“certification mark” means a mark indicating that the goods or services in connection with which it is used are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics ;

“collective mark” means any visible sign designated as such and serving to distinguish the origin or any other common characteristic of goods or services of different enterprises which use the mark under the control of the registered owner ;

“enterprise” means any business, industry or other activity carried on by an individual, partnership, company, or co-operative society wherever registered or incorporated and whether registered or not under any law for the time being in force relating to companies, co-operative societies or businesses engaged in or proposing to engage in any business and includes any business undertaking of the Government or any State Corporation whether carrying on business in Sri Lanka or otherwise ;

“false trade description” means a trade description which is false or misleading in a material respect as regards the goods or services to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement or otherwise, where that alteration makes the description false or misleading in a material respect,

and the fact that a trade description is a trade mark or part of a trade mark shall not prevent such trade description being a false trade description within the meaning of this Part ;

“geographical indication” means an indication which identifies any goods as originating in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin ;

“goods” means anything which is the subject of trade, manufacture or merchandise and includes services ;

“indication of source” means any expression or sign used to indicate that a product or service originates in a given country or group of countries, region, or locality ;

“mark” means a trade mark or service mark ;

“name” includes any abbreviation of a name ;

“person” means manufacturer, dealer, trader or owner and includes any body of persons, corporate or unincorporate ;

“service mark” means any visible sign serving to distinguish the services of one enterprise from those of an other enterprise ;

“trade description” means any description, statement or other indication, direct or indirect—

- (a) as to the number, quantity, measure, gauge, or weight of any goods ; or
- (b) as to the place or country in which any goods were made or produced ; or

- (c) as to the mode of manufacturing or producing any goods ; or
- (d) as to the material of which any goods are composed ; or
- (e) as to any goods being the subject of an existing copyright, related rights, industrial design or patent or any other matter protected under this Act ; or
- (f) as to the quality, kind or nature of the services ; or
- (g) as to the standard of quality of any goods, according to a classification commonly used or recognized in the trade ; or
- (h) as to the fitness for purpose, strength, performance or behaviour of any goods,

and the use of any figure, word or mark which, according to the custom of the trade, is commonly taken to be an indication of any of the above matters shall be deemed to be a trade description within the meaning of this Part ;

“trade mark” means any visible sign serving to distinguish the goods of one enterprise from those of another enterprise ; and

“trade name” means the name or designation identifying the enterprise of a natural or legal person.

Licence contracts involving payments abroad.

97. (1) Where the Director-General has reasonable cause to believe that any licence contract or any amendment or renewal thereof—

- (a) which involves the payment of royalties abroad ; or
- (b) which by reason of other circumstances relating to such licence contract,

is detrimental to the economic development of Sri Lanka, he shall in writing communicate such fact to the Governor of the Central Bank and transmit all papers in his custody relevant to a decision on such matter to the Governor of the Central Bank.

(2) Where on receipt of any communication under subsection (1) the Governor of the Central Bank informs the Director-General in writing that the said licence contract or any amendment or renewal thereof is detrimental to the economic development of Sri Lanka, the Director-General shall cancel and invalidate the record of such contract in the register.

(3) The provisions of this section shall apply, *mutatis mutandis*, to assignments and transmissions.

(4) The provisions of this Chapter shall apply, *mutatis mutandis*, to sub-licence.

(5) The provisions of this Chapter shall have no application to a licence referred to in subsection (2) of section 86.

CHAPTER XVIII

SURRENDER AND NULLITY OF PATENT

Surrender of patent.

98. (1) The registered owner of a patent may surrender the patent by a declaration in writing signed by him or by any person authorized by him on his behalf and shall submit it to the Director-General.

(2) The surrender may be limited to one or more claims of the patent.

(3) The Director-General shall, on receipt of the said declaration record it in the register or cause it to be registered and shall cause such record to be published in the Gazette.

(4) The surrender shall take effect from the date of receipt of such declaration by the Director-General.

(5) Where a licence contract in respect of a patent is recorded in the register, the Director-General shall not, in the absence of provision to the contrary in such licence contract, accept or record the said surrender except upon receipt of a signed declaration by which every licensee or sub-licensee on record consents to the said surrender, unless the requirement of his consent is expressly waived in the licence contract.

99. (1) The Court may on the application of any person showing a legitimate interest, or of any Competent Authority including the Director-General, to which the owner of the patent and every assignee, licensee or sub-licensee on record shall be made party, declare the patent null and void on any one or more of the following grounds :—

Nullity of patent.

- (a) that what is claimed as an invention in the patent is not an invention within the meaning of subsection (1) of section 62, or is excluded from protection under subsection (3) of section 62, or subsection (1) of section 79, or is not patentable due to the failure to satisfy the requirements of sections 63, 64, 65 and 66 ; or
- (b) that the description or the claims, fails to satisfy the requirements of subsections (3) and (4) of section 71 ; or
- (c) that any drawings required for the understanding of the claimed invention have not been furnished ; or

- (d) that the right to the patent belongs to a person other than the person to whom the patent was granted :

Provided that the patent has not been assigned to the person to whom the right to the patent belongs.

(2) (a) Where the provisions of subsection (1) apply only to some of the claims or some parts of a claim, such claims or parts of a claim may be declared null and void by the court.

(b) The nullity of part of a claim shall be declared in the form of a corresponding limitation of the claim in question.

(3) (a) An assignee, licensee or sub-licensee, as the case may be, who has been made party to the application under subsection (1), shall be entitled to join in the proceedings in the absence of any provision to the contrary in any contract or agreement with the owner of the patent.

(b) Where the application to Court is on the ground referred to in paragraph (d) of subsection (1), the applicant shall give notice of the application to the person to whom the right to the patent is alleged to belong.

Date and effect of nullity.

100. (1) Upon a final decision of the Court declaring total or partial nullity of a patent, the patent shall be deemed to have been null and void, totally or partially, as the case may be, as from the date of the grant of such patent.

(2) When a declaration of nullity becomes final the Registrar of the Court shall notify the Director-General who shall record the said declaration in the register and cause it to be published in the Gazette.

(2) Any person becoming entitled by assignment or transmission to a patent application or patent may apply to the Director-General in the prescribed manner to have such assignment or transmission recorded in the register.

(3) No such assignment or transmission shall be recorded in the register unless the prescribed fee has been paid to the Director-General.

(4) No such assignment or transmission shall have effect against third parties unless so recorded in the register.

89. In the absence of any agreement to the contrary between the parties, joint owners of a patent application or patent may, separately, assign or transmit their rights in the patent application or patent, exploit the patented invention and take action against any person exploiting the patented invention without their consent, but may only jointly withdraw the patent application, surrender the patent or conclude a licence contract.

Joint ownership of patent applications or patents.

CHAPTER XVII

LICENCE CONTRACTS

90. For the purposes of this Part licence contract means any contract by which the owner of a patent (hereinafter referred to as “the licensor”) grants to another person or enterprise (hereinafter referred to as the “the licensee”) a licence to do all or any of the acts referred to in paragraph (a) of subsection (1) and subsection (3) of section 84.

Interpretation.

91. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties.

Form and record of licence contract.

(2) Upon a request in writing signed by or on behalf of the contracting parties, the Director-General shall, on payment of the prescribed fee, record in the register such particulars relating to the contract as the parties thereto might wish to have so recorded :

Provided that the parties shall not be required to disclose or have recorded any other particulars relating to the said contract.

Rights of licensee. **92.** In the absence of any provision to the contrary in the licence contract, the licensee shall—

- (a) be entitled to do all or any of the acts referred to in paragraph (a) of subsection (1) and subsection (3) of section 84 within the territory of Sri Lanka, without limitation as to time and through application of the patented invention ;
- (b) not be entitled to assign or transmit his rights under the licence contract or grant sub-licences to third parties.

Rights of the licensor. **93.** (1) In the absence of any provision to the contrary in the licence contract, the licensor may grant further licences to third parties in respect of the same patent or perform all or any of the acts referred to in paragraph (a) of subsection (1) and subsection (3) of section 84.

(2) Where the licence contract provides the licence to be exclusive, and unless it is expressly provided otherwise in such contract, the licensor shall not grant further licences to third parties in respect of the same patent or perform all or any of the acts referred to in paragraph (a) of subsection (1) and subsection (3) of section 84.

Invalid clauses in licence contracts. **94.** Any term or condition in a licence contract shall be null and void in so far as it imposes upon the licensee, in the industrial or commercial field, restrictions not derived from the rights conferred by this Part on the owner of the patent, or unnecessary for the safeguarding of such rights :

Provided that—

- (a) restrictions concerning the scope, extent or duration of exploitation of the patented invention, or the geographical area in or the quality or quantity of the products in connection with, which the patented invention may be exploited ; and

- (b) obligations imposed upon the licensee to abstain from all acts capable of prejudicing the validity of the patent,

shall not be deemed to constitute such restrictions.

95. Where, before the expiration of the licence contract, any of the following events occur in respect of the patent application or patent referred to in such contract—

Effect of patent application not being granted or patent being declared null and void.

- (a) the patent application is withdrawn ;
- (b) the patent application is finally rejected ;
- (c) the patent is surrendered ;
- (d) the patent is declared null and void ; or
- (e) the registration of the licence contract is invalidated,

the licensee shall no longer be required to make any payment to the licensor under the licence contract, and shall be entitled to repayment of the payments already made :

Provided that the licensor shall not be required to make any repayment, or repayment only in part, if he can prove that any such repayment would be inequitable under the circumstances, in particular if the licensee has effectively profited from the licence.

96. The Director-General shall—

Expiry, termination or invalidation of licence contract to be recorded.

- (a) if he is satisfied that a recorded licence contract has expired or been terminated, record that fact in the register upon a request in writing to that effect signed by or on behalf of the parties thereto ;
- (b) record in the register the expiry, termination or invalidation of a licence contract under any provision of this Part.

Licence contracts involving payments abroad.

97. (1) Where the Director-General has reasonable cause to believe that any licence contract or any amendment or renewal thereof—

- (a) which involves the payment of royalties abroad ; or
- (b) which by reason of other circumstances relating to such licence contract,

is detrimental to the economic development of Sri Lanka, he shall in writing communicate such fact to the Governor of the Central Bank and transmit all papers in his custody relevant to a decision on such matter to the Governor of the Central Bank.

(2) Where on receipt of any communication under subsection (1) the Governor of the Central Bank informs the Director-General in writing that the said licence contract or any amendment or renewal thereof is detrimental to the economic development of Sri Lanka, the Director-General shall cancel and invalidate the record of such contract in the register.

(3) The provisions of this section shall apply, *mutatis mutandis*, to assignments and transmissions.

(4) The provisions of this Chapter shall apply, *mutatis mutandis*, to sub-licence.

(5) The provisions of this Chapter shall have no application to a licence referred to in subsection (2) of section 86.

CHAPTER XVIII

SURRENDER AND NULLITY OF PATENT

Surrender of patent.

98. (1) The registered owner of a patent may surrender the patent by a declaration in writing signed by him or by any person authorized by him on his behalf and shall submit it to the Director-General.

Rights derived from prior manufacture or use.

87. (1) Where a person at the filing date or, where applicable, the priority date, of the patent application—

- (a) was in good faith making the product or using the process in Sri Lanka which is the subject of the invention claimed in such application ;
- (b) had in good faith made serious preparations in Sri Lanka towards the making of the product or using the process referred to in paragraph (a),

he shall have the right, despite the grant of the patent, to exploit the patented invention :

Provided that the product in question is made, or the process in question is used by the said person in Sri Lanka :

Provided further, if the invention was disclosed under circumstances referred to in paragraph (a) or (b) of subsection (3) of section 64, he may prove, that his knowledge of the invention was not as a result of such disclosure.

(2) The right referred to in subsection (1) shall not be assigned or transmitted except as part of the business of the person concerned.

(3) The provisions of this section shall not affect the rights of any person to object to the grant of a patent on the ground that such invention is not patentable under sections 63, 64, 65 and 66 of the Act, or to seek relief under sections 68 and 99 of the Act.

CHAPTER XVI

ASSIGNMENT AND TRANSMISSION OF PATENT APPLICATIONS AND PATENTS

Assignment and transmission of patent applications and patents.

88. (1) A patent application or patent may be assigned or transmitted and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.

(2) Any person becoming entitled by assignment or transmission to a patent application or patent may apply to the Director-General in the prescribed manner to have such assignment or transmission recorded in the register.

(3) No such assignment or transmission shall be recorded in the register unless the prescribed fee has been paid to the Director-General.

(4) No such assignment or transmission shall have effect against third parties unless so recorded in the register.

89. In the absence of any agreement to the contrary between the parties, joint owners of a patent application or patent may, separately, assign or transmit their rights in the patent application or patent, exploit the patented invention and take action against any person exploiting the patented invention without their consent, but may only jointly withdraw the patent application, surrender the patent or conclude a licence contract.

Joint ownership of patent applications or patents.

CHAPTER XVII

LICENCE CONTRACTS

90. For the purposes of this Part licence contract means any contract by which the owner of a patent (hereinafter referred to as “the licensor”) grants to another person or enterprise (hereinafter referred to as the “the licensee”) a licence to do all or any of the acts referred to in paragraph (a) of subsection (1) and subsection (3) of section 84.

Interpretation.

91. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties.

Form and record of licence contract.

(2) Upon a request in writing signed by or on behalf of the contracting parties, the Director-General shall, on payment of the prescribed fee, record in the register such particulars relating to the contract as the parties thereto might wish to have so recorded :

Provided that the parties shall not be required to disclose or have recorded any other particulars relating to the said contract.

CHAPTER XIV

DURATION OF PATENT

83. (1) Subject and without prejudice to the other provisions of this Part a patent shall expire twenty years after the filing date of application for its registration.

Duration of patent.

(2) Where a patentee intends at the expiration of the second year from the date of grant of the patent to keep the same in force he shall, twelve months prior to the date of expiration of the second and each succeeding year during the term of the patent, pay the prescribed annual fee:

Provided, however, that a period of grace of six months shall be allowed after the date of such expiration, upon payment of such surcharge as may be prescribed :

Provided further that the patentee may pay in advance the whole or any portion of the aggregate of the prescribed annual fees.

CHAPTER XV

RIGHTS OF OWNER OF PATENT

84. (1) Subject and without prejudice to the other provisions of this Part, the owner of a patent shall have the following exclusive rights in relation to a patented invention:—

Rights of owner of patent.

- (a) to exploit the patented invention ;
- (b) to assign or transmit the patent ;
- (c) to conclude licence contracts.

(2) No person shall do any of the acts referred to in subsection (1) without the consent of the owner of the patent.

(3) For the purposes of this Part “exploitation” of a patented invention means any of the following acts in relation to a patent :—

- (a) when the patent has been granted in respect of a product—
 - (i) making, importing, offering for sale, selling, exporting or using the product ;
 - (ii) stocking such product for the purpose of offering for sale, selling, exporting or using ;
- (b) when the patent has been granted in respect of a process—
 - (i) using of the process ;
 - (ii) doing any of the acts referred to in paragraph (a), in respect of a product obtained directly by means of the process ;
 - (iii) preventing any person using that process or using, selling or importing any product obtained directly by means of that process unless such person is authorized to do so.

Burden of proof to be on the alleged infringer.

85. (1) Where the subject matter of a patent is a process for obtaining a product, the burden of proof in a civil action of establishing that an alleged infringing product was not obtained by that patented process shall be on the alleged infringer—

- (a) if the product obtained by the patented process is new ; or
- (b) if a substantial likelihood exists that the product was made by the patented process and the patent owner has been unable through reasonable efforts to determine the process actually used.

(2) In the gathering and evaluation of evidence, the legitimate interests of the alleged infringer in protecting his undisclosed information shall be taken into account.

86. (1) The provisions of section 84 shall—

Limitation of
owner's rights.

- (i) extend only to acts done for industrial or commercial purposes and in particular shall not extend to acts done only for the purpose of scientific research ;
- (ii) not preclude a person having the rights referred to in section 87 or a licensee, from exploiting the patented invention ;
- (iii) not extend to the presence or use of products on foreign vessels, aircraft, spacecraft, or land vehicles which temporarily or accidentally enter the waters, airspace or territory of Sri Lanka ;
- (iv) not extend to acts in respect of articles which have been put in the market by the owner of the patent or by a manufacturer under licence.

(2) (a) Any person, body of persons, a government department or a statutory body may make an application to the Director General for the purpose of obtaining a licence to exploit a patent in the manner hereafter provided.

(b) Upon the receipt of such application, the Director General may issue a licence for exploitation if he is satisfied that the applicant has made efforts to obtain approval from the right holder on reasonable commercial terms and conditions and that such efforts have not been successful within a reasonable period of time.

(c) Director-General may waive the requirements set out in paragraph (b) where he has satisfied himself of the existence of a national emergency or any other circumstances of extreme urgency or in case of public non-commercial use

for the purposes such as national security, nutrition, health or for the development of others vital section of the national economy.

(d) The exploitation of the patent shall be limited in scope and duration to the purpose as is specified in the licence. Such exploitation shall be predominantly for the purpose of supply to the domestic market.

(e) The Director-General shall consider each application on its individual merits before granting a licence to exploit a patent.

(f) The issuance of a licence shall be non-exclusive and subject to the payment of adequate remuneration to the owner of the patent taking into consideration the economic value as determined by the Director-General, and where applicable, the need to correct anti-competitive practices.

(g) Where such application is for the exploitation of the patent (the second patent) which cannot be exploited without infringing another patent (the first patent), the following conditions shall apply :

- (i) the invention claimed in the second patent shall involve and important technical advance of considerable economic significance in relation to the invention claimed in the first patent ;
- (ii) the owner of the first patent shall be entitled to a cross licence on reasonable terms to exploit the invention claimed in the second patent ; and
- (iii) the exploitation authorized in respect of the first patent shall be non-assignable except with the assignment of the second patent.

(h) The decision of the Director-General, shall be notified in writing to the owner of the patent as soon as practicable.

(i) The Director-General, shall upon, the request of the owner or of the beneficiary of the licence, after hearing the parties, vary his decision by amending the terms subject to which licence for the exploitation of the patent is issued to the extent only that the changed circumstances justify such variation.

(j) The Director-General shall upon the request of the owner, terminate the non-voluntary license if he is satisfied that the circumstances which led to his decision have ceased to exist and are unlikely to recur or that the license has failed to comply with terms of such licence.

(k) Notwithstanding anything contained in paragraph, (j) the Director-General shall not terminate a licence, if he is satisfied that adequate protection of the legitimate interest of the beneficiary of the licence justifies the continuity of such licence.

(l) The licence to exploit a patent may be transferred only with the enterprise or the business of the licensee of such patent or with the part of such enterprise or business, in relation to which the licence to exploit has been granted.

(m) Where a judicial or administrative body has determined that the manner of exploitation of a patent by its owner or its licensee is anti-competitive, and the Director-General is satisfied that the exploitation of a patent in accordance with this section would remedy such practice, the Director-General may authorize any person, body of persons, government departments or statutory body to exploit the patent without a licence of the owner of the patent. The provisions of the above paragraphs except those of paragraphs (b), (c) and (g) shall be applicable to such licence.

(3) Any person aggrieved by any decision of the Director-General under subsection (2), may tender an appeal therefrom. The provisions of section 173 shall, *mutatis mutandis*, apply in respect of such appeal.

Rights derived from prior manufacture or use.

87. (1) Where a person at the filing date or, where applicable, the priority date, of the patent application—

- (a) was in good faith making the product or using the process in Sri Lanka which is the subject of the invention claimed in such application ;
- (b) had in good faith made serious preparations in Sri Lanka towards the making of the product or using the process referred to in paragraph (a),

he shall have the right, despite the grant of the patent, to exploit the patented invention :

Provided that the product in question is made, or the process in question is used by the said person in Sri Lanka :

Provided further, if the invention was disclosed under circumstances referred to in paragraph (a) or (b) of subsection (3) of section 64, he may prove, that his knowledge of the invention was not as a result of such disclosure.

(2) The right referred to in subsection (1) shall not be assigned or transmitted except as part of the business of the person concerned.

(3) The provisions of this section shall not affect the rights of any person to object to the grant of a patent on the ground that such invention is not patentable under sections 63, 64, 65 and 66 of the Act, or to seek relief under sections 68 and 99 of the Act.

CHAPTER XVI

ASSIGNMENT AND TRANSMISSION OF PATENT APPLICATIONS AND PATENTS

Assignment and transmission of patent applications and patents.

88. (1) A patent application or patent may be assigned or transmitted and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.

CHAPTER XIV

DURATION OF PATENT

83. (1) Subject and without prejudice to the other provisions of this Part a patent shall expire twenty years after the filing date of application for its registration.

Duration of patent.

(2) Where a patentee intends at the expiration of the second year from the date of grant of the patent to keep the same in force he shall, twelve months prior to the date of expiration of the second and each succeeding year during the term of the patent, pay the prescribed annual fee:

Provided, however, that a period of grace of six months shall be allowed after the date of such expiration, upon payment of such surcharge as may be prescribed :

Provided further that the patentee may pay in advance the whole or any portion of the aggregate of the prescribed annual fees.

CHAPTER XV

RIGHTS OF OWNER OF PATENT

84. (1) Subject and without prejudice to the other provisions of this Part, the owner of a patent shall have the following exclusive rights in relation to a patented invention:—

Rights of owner of patent.

- (a) to exploit the patented invention ;
- (b) to assign or transmit the patent ;
- (c) to conclude licence contracts.

(2) No person shall do any of the acts referred to in subsection (1) without the consent of the owner of the patent.

CHAPTER XIII

REQUIREMENTS OF APPLICATION AND PROCEDURE FOR GRANT OF A PATENT

71. (1) (a) An application for the grant of a patent shall be made to the Director-General in the prescribed form and shall contain—

Requirements of applications

- (i) a request for the grant of the patent ;
- (ii) a description of the patent ;
- (iii) a claim or claims ;
- (iv) a drawing or drawings, where required ;
- (v) an abstract ;
- (vi) date and number of any application for a patent filed by the applicant abroad (hereinafter referred to as the “foreign application”), if any, relating to the same, or essentially the same invention as that claimed in the present application ;
- (vii) a declaration that the applicant or his predecessor in title has not obtained a patent abroad before the application was filed relating to the same or essentially the same invention as that claimed in the application.

(b) If the declaration referred to in sub-paragraph (vii) of paragraph (a) of subsection (1) of this section is found to be false, the Court may declare the patent to be null and void on an application made to it by any interested party or a Competent Authority including the Director-General. The registered owner of the patent, assignees and licensees shall be made party to that application.

(c) Where the applicant's ordinary residence or principal place of business is outside Sri Lanka, he shall be represented by an agent resident in Sri Lanka whose name and address shall be given in the application, and the application shall be accompanied by a power of attorney granted to such agent by the applicant.

(d) The application may be accompanied by a declaration signed by the inventor, giving his name and address and requesting that he be named as such in the patent.

(2) (a) The request shall contain –

- (i) a petition that the patent be granted ;
- (ii) the title of the invention;
- (iii) the name, address, description and any other prescribed information concerning the applicant, the inventor and the agent, if any.

(b) Where the applicant is not the inventor, the request shall be accompanied by a statement justifying the applicant's right to the patent.

(c) The Director-General shall send a copy of the statement referred to in paragraph (b) to the inventor who shall have the right to inspect the application and to receive, on payment of the prescribed fee, a copy thereof.

(3) The description shall disclose the invention in a manner sufficiently clear and complete for the invention to be evaluated, and to be carried out by a person having ordinary skill in the relevant technology and shall, in particular, indicate the best mode known to the applicant for carrying out the invention.

(4) The claim or claims shall be clear, concise and supported by the description.

(5) Drawings shall be required when they are necessary for the understanding of the invention.

(6) The terms of any claim shall determine the scope and extent of the protection afforded by the patent, and the description and drawings may be used to interpret such claim.

(7) The abstract shall serve the purpose of technical information and shall not be used for the purpose of determining or interpreting the scope and extent of the protection afforded by the patent.

(8) Any application filed outside Sri Lanka under the Patent Corporation Treaty for a patent designating Sri Lanka shall if the applicant files a corresponding application with the Director-General be deemed to be an application made under this Act.

For the purposes of this Chapter “the Patent Corporation Treaty” means the Patent Corporation Treaty made in Washington on June 19th 1970, as amended from time to time.

72. An application for the grant of a patent shall not be entertained unless prescribed fee has been paid to the Director-General.

Application fee.

73. (1) Every applicant shall furnish, within the prescribed period, a report, which if not in English shall be accompanied by a translation thereof in English, of a search which shall conform such type as may be prescribed :

Search report.

Provided, however, that in lieu of the said search an applicant may request the Director-General to refer the application to a local examiner who shall examine the application on the basis of any claim with due regard to the description and the drawings, if any, and furnish a report to the Director-General within the prescribed period, on the relevant prior art, after making the required effort to discover as much of the relevant prior art as facilities permit ; and for the purposes of the search the local examiner shall make reference to every documentation on prior art available to him.

(2) The applicant shall, when requiring the Director-General to refer his application to a local examiner, forward such application with the prescribed fee to Director-General.

(3) (a) The applicant shall, at the request of the Director-General, furnish him with the following documents in respect of any foreign application for a patent filed by him abroad relating to the same or essentially the same invention as that claimed in the application filed under this Act –

(i) a copy of any communication received by the applicant concerning the results of any search or examination carried out in respect of the foreign application ;

(ii) a copy of the patent granted on the basis of the foreign application ; and

(iii) a copy of any final decision rejecting the foreign application or refusing the grant of a patent requested in the foreign application.

(b) The applicant shall, at the request of the Director-General, furnish him with a copy of any final decision invalidating the patent granted on the basis of the foreign application referred to in paragraph (a).

(4) For this purposes of the section “local examiner” means any skilled person to whom the Director-General may refer questions concerning patents.

Unity of invention.

74. An application shall relate to one invention only or to a group of inventions which are so linked to each other so as to form a single general inventive concept.

Amendment and division of application.

75. (1) An applicant may amend the application, provided that the amendment shall not exceed the limits of the disclosure in the initial application.

(2) (a) An applicant may divide the application into two or more applications (hereinafter referred to as “divisional applications”) provided that each divisional application shall not exceed the limits of disclosure in the initial application.

(b) Each divisional application shall be entitled to the filing, or where applicable, priority, from date of the initial application.

(3) An amendment to an application or a division of an application shall be subject to the payment of a prescribed fee.

76. (1) An application may contain a declaration claiming the priority, pursuant to the Convention, of one or more earlier national, regional or international applications filed by the applicant or his predecessor in title in or for any State party to the said Convention.

Right of priority.

(2) Where the application contains a declaration under subsection (1), the Director-General may require the applicant to furnish, within the prescribed period, a copy of the earlier application, certified as correct by an officer authorized in that behalf, for that purpose by the Office with which it was filed or, where the earlier application is an international application filed under the Patent Co-operation Treaty, by an office authorized in that behalf for that purpose by the International Bureau of the World Intellectual Property Organization.

(3) The effect of the declaration referred to in subsection (1) shall be the same as provided for in the Convention referred to therein.

(4) Where any of the requirements of this section or any regulation made thereunder have not been complied with, the declaration referred to in subsection (1) shall be deemed to be null and void.

77. (1) The Director-General shall record as the filing date, the date of receipt of the application :

Filing date.

Provided that on the date of the receipt of the application , contains –

(a) the name and address of the applicant ;

- (b) the name and address of the inventor and, where the applicant is not his inventor, the statement referred to in paragraph (b) of subsection (2) of section 71 ;
- (c) a description of the patent;
- (d) a claim or claims :

Provided further that at the time of receipt of the application the prescribed fee has been paid.

(2) Where the Director-General finds, at the time of receipt of the application, that the provisions of subsection (1) have not been complied with, he shall request the applicant to file the required correction within a period of three months from the date of such request.

(3) Where the applicant complies with the request referred to in subsection (2), the Director-General shall record as the filing date, the date of receipt of the required correction ; where the applicant fails to so comply the Director-General shall treat the application as null and void.

(4) Where the application refers to drawings which in fact are not included in the application, the Director-General shall request the applicant to furnish the missing drawings.

(5) Where the applicant complies with the request referred to in subsection (4), the Director-General shall record as the filing date the date of receipt of the missing drawings ; where the applicant fails to so comply the Director-General shall record as the filing date, the date of receipt of the application and shall make no reference to the said drawings.

(6) The title, description, drawings, abstracts and claims filed with any international application made under subsection (8) of section 71, designating Sri Lanka shall be deemed to be carried out in accordance with specifications required under this Act.

(7) The filing date of such application made under subsection (8) of section 71 and processed by the office shall be deemed to be the date of filing of such application under the Patent Corporation Treaty.

78. (1) The Director-General shall examine the application and shall satisfy himself as to the fulfilment of the following :—

Examination of applications &c.

- (a) where applicable, the requirements of paragraph (b) of subsection (1) of section 71 ;
- (b) the requirements of paragraph (a) of subsection (2) of section 71 ;
- (c) where applicable, the requirements of paragraph (b) of subsection (2) of section 71 ;
- (d) the description, the claims and where applicable, the drawings, which comply with the prescribed requirements ;
- (e) the essential elements of the invention claimed in the application have not been unlawfully derived from a patent already granted in Sri Lanka ;
- (f) the application contains an abstract ;
- (g) the search report referred to in section 73 has been submitted.

(2) Where the Director-General finds that the conditions referred to in subsection (1) are not fulfilled he shall request the applicant to file the required correction within a period of three months from the date of such request ; where the applicant fails to so comply the application shall, subject to the provisions of subsection (3), be rejected.

(3) Where no correction is provided in response to a request under subsection (2), the Director-General shall, on payment of the prescribed fee within the prescribed period, include the corrections into the application and if the prescribed fee is not paid within the prescribed period the application shall be rejected.

(4) Where the Director-General finds that the essential elements of an invention claimed in an application are unlawfully derived from a patent already granted in Sri Lanka, such application shall be rejected.

(5) The Director-General shall notify the applicant of any decision under subsections (2), (3) and (4) and any decision taken to reject the application shall be in writing stating the reasons for such rejection.

Grant of patent.

79. (1) The grant of a patent shall not be refused and a patent shall not be invalidated on the ground that the commercial exploitation of the claimed invention is prohibited by any law except where the prevention of the commercial exploitation of the claimed invention is necessary in order to protect public order, and morality including the protection of human, animal or plant life or health or for the avoidance of serious prejudice to the environment.

(2) Where the applicant fulfils the requirements of subsection (1) of section 78 to the satisfaction of the Director-General, he shall grant the patent, and shall forthwith —

- (a) record the particulars relating to patent in the Register of patents required to be maintained in accordance with the provisions of section 80 ;
- (b) issue a certificate to the applicant in respect of the grant of a patent together with a copy of the patent documents including the search report :

Provided however where the applicant has not tendered an international search report, but has requested the Director-General to refer the application to a local examiner under the proviso to section 73, the Director-General shall publish a notice informing the public, of the possibility of granting a patent to the applicant at the expiration of a period of three months from the date of publication of the notice, unless otherwise directed by the Court.

(3) The Director-General shall thereafter as soon as practicable cause to be published in the Gazette a notice pertaining to the grant of the patent.

(4) The patent shall be deemed to be granted on the date that the Director-General acts in accordance with the provisions of paragraph (a) of subsection (2).

(5) The notice referred to in the proviso to subsection (2) shall contain the name and address of the applicant and where the applicant is resident outside Sri Lanka a postal address for service in Sri Lanka, a description of the invention and any other information as may be prescribed.

(6) The applicant shall make the payment of the prescribed fee for the publication referred to in the proviso to subsection (2) upon the request of the Director-General, and where the applicant fails to satisfy such request within one month from the date of such request the Director-General shall refuse to grant such patent.

80. The Director-General shall keep and maintain a register (hereinafter called and referred to as the “Register of Patents”) wherein all patents shall be recorded, in the order of their grant, specifying the number of the patent, the name and address of the grantee and, if the grantee is resident outside Sri Lanka, a postal address for service in Sri Lanka, the date of application and grant, any change in the ownership of a patent application or patent, the amendment or division of a patent application, the assignment or transmission of a patent application or patent, any valid claim to priority, the surrender or revocation of a patent and such other matters relating to patents as are authorised or directed by this Part to be so recorded or may from time to time be prescribed.

Register of Patents.

81. Any person may examine the register and may obtain certified extracts therefrom on payment of the prescribed fee.

Examination of register and certified copies.

Inspection of files.

82. (1) Any person may, after the grant of a patent, inspect, subject to subsections (2) and (3), the file relating to any patent and may obtain certified extracts therefrom on payment of the prescribed fee.

(2) The file relating to a patent application may be inspected before the grant of the patent only with the written permission of the applicant :

Provided that before the grant of the patent the Director-General may divulge the following information to any person—

- (a) the name, address and description of the applicant and the name and address of the agent, if any ;
- (b) the number of the application ;
- (c) the filing date of the application and, if priority is claimed, the priority date, the number of the earlier application and the name of the State in which the earlier application was filed or, when the earlier application is a regional or an international application, the name of the State or States for which and the office with which, it was filed ;
- (d) the title of the invention ;
- (e) any change in the ownership of the application and any reference to a licence contract appearing in the file relating to the application.

(3) Where the provisions of the proviso to subsection (2) of section 79 are applicable, the reference to the grant of a patent in subsections (1) and (2) of this section shall be deemed to be a reference to the publication of the notice referred to in the said proviso.

(4) No person employed in or at the Office may make a patent application or be granted a patent or acquire or hold in any manner whatsoever any right relating to a patent during the period of his employment in or at the office and for one year after the termination of such employment.

65. An invention shall be considered as involving an inventive step if, having regard to the prior art relevant to the patent application claiming the invention, such inventive step would not have been obvious to a person having ordinary skill in the art.

Inventive step.

66. An invention shall be considered industrially applicable if it can be made or used in any kind of industry.

Industrial application of invention.

CHAPTER XII

RIGHT TO A PATENT

67. (1) Subject to the provisions of section 68 the right to a patent shall belong to the inventor.

Right to a patent.

(2) Where two or more persons have jointly made an invention, the right to a patent shall belong to them jointly.

(3) If and to the extent to which two or more persons have made the same invention independently of each other, the person whose application has the earliest filing date or, if priority is claimed, the earliest validly claimed priority date, shall have the right to the patent, so long as that application is not withdrawn, abandoned or rejected.

68. Where the essential element of the invention claimed in a patent application or patent have been unlawfully derived from an invention for which the right to the patent belongs to another person, such other person may apply to the Court for an order that the said patent application or patent be assigned to him :

Assignment of patent application or patent, by court in case of usurpation.

Provided that where, after a patent application has been filed, the person to whom the right to the patent belongs gives his consent to the filing of the said patent application, such consent shall, for all purposes, be deemed to have been effective from the date of filing of such application :

Provided also that the Court shall not entertain an application for the assignment of a patent after the expiry of a period of five years from the date of grant of the patent.

Inventions made by an employee or pursuant to a commission.

69. (1) In the absence of any provision to the contrary in any contract of employment or for the execution of work, the right to a patent for an invention made in the performance of such contract of employment or in the execution of such work shall be deemed to accrue to the employer, or the person who commissioned the work, as the case may be :

Provided that where the invention acquires an economic value much greater than the parties could reasonably have foreseen at the time of entering the contract of employment or for the execution of work, as the case may be, the inventor shall be entitled to equitable remuneration which may be fixed by the Court an application made to it in that behalf, in the absence of an agreement between the parties.

(2) Where an employee whose contract of employment does not require him to engage in any inventive activity, makes in the field of activities of his employer, an invention using data or means placed at his disposal by his employer, the right to the patent for such invention shall be deemed to accrue to the employer, in the absence of any provision to the contrary in the contract of employment :

Provided that the employee shall be entitled to equitable remuneration which, in the absence of agreement between the parties, may be fixed by the Court, taking into account his emoluments an application made to it in that behalf the economic value of the invention and any benefit derived from it by the employer.

(3) The rights conferred on the inventor under subsections (1) and (2) shall not be restricted by contract.

Naming of inventor.

70. (1) The inventor shall be named as such in the patent, unless by a declaration in writing signed by him or on his behalf and submitted to the Director-General, he indicates his decision to forgo his name being included in the patent.

(2) The provisions of subsection (1) shall not be modified by the terms of any contract.

PART IV

CHAPTER XI

DEFINITIONS

62. (1) For the purposes of this Part, “invention” means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology.

Definition of invention.

(2) An invention may be, or may relate to, a product or process.

(3) The following, notwithstanding they are inventions within the meaning of subsection (1), shall not be patentable—

- (a) discoveries, scientific theories and mathematical methods ;
- (b) plants, animals and other micro organism other than transgenic micro organism and an essentially biological process for the production of plants and animals other than non-biological and microbiological processes :

Provided however, that a patent granted in respect of micro-organisms shall be subject to the provisions of this Act;

- (c) schemes, rules, or methods for doing business, performing purely mental acts or playing games ;
- (d) methods for the treatment of the human or animal body by surgery or therapy, and diagnostic methods practiced on the human or animal body :

Provided however, any product used in any such method shall be patentable ;

- (e) an invention which is useful in the utilization of special nuclear material or atomic energy in an atomic weapon ;

- (f) any invention, the prevention within Sri Lanka of the commercial exploitation of which is necessary to protect the public order, morality including the protection of human, animal or plant life or health or the avoidance of serious prejudice to the environment.

Patentable inventions.

63. An invention is patentable if it is new, involves an inventive step and is industrially applicable.

Novelty.

64. (1) An invention is new if it is not anticipated by prior art.

(2) Prior art shall consist of—

(a) everything disclosed to the public, anywhere in the world, by written publication, oral disclosure, use or in any other way, prior to the filing or, where appropriate, priority date of the patent application claiming the invention ;

(b) the contents of patent application made in Sri Lanka having an earlier filing or, where appropriate, priority date than the patent application referred to in paragraph (a), to extent that such contents are included in the patent granted on the basis of the said patent application made in Sri Lanka.

(3) A disclosure made under paragraph (a) of subsection (2) shall be disregarded—

(a) if such disclosure occurred within one year preceding the date of the patent application and if such disclosure or in consequence of acts committed by the applicant or his predecessor in title ;

(b) if such disclosure occurred within six months preceding the date of the patent application and if such disclosure was by reason or in consequence of any abuse of the rights of the applicant or his predecessor in title.

65. An invention shall be considered as involving an inventive step if, having regard to the prior art relevant to the patent application claiming the invention, such inventive step would not have been obvious to a person having ordinary skill in the art.

Inventive step.

66. An invention shall be considered industrially applicable if it can be made or used in any kind of industry.

Industrial application of invention.

CHAPTER XII

RIGHT TO A PATENT

67. (1) Subject to the provisions of section 68 the right to a patent shall belong to the inventor.

Right to a patent.

(2) Where two or more persons have jointly made an invention, the right to a patent shall belong to them jointly.

(3) If and to the extent to which two or more persons have made the same invention independently of each other, the person whose application has the earliest filing date or, if priority is claimed, the earliest validly claimed priority date, shall have the right to the patent, so long as that application is not withdrawn, abandoned or rejected.

68. Where the essential element of the invention claimed in a patent application or patent have been unlawfully derived from an invention for which the right to the patent belongs to another person, such other person may apply to the Court for an order that the said patent application or patent be assigned to him :

Assignment of patent application or patent, by court in case of usurpation.

Provided that where, after a patent application has been filed, the person to whom the right to the patent belongs gives his consent to the filing of the said patent application, such consent shall, for all purposes, be deemed to have been effective from the date of filing of such application :

Provided also that the Court shall not entertain an application for the assignment of a patent after the expiry of a period of five years from the date of grant of the patent.

(4) The provisions of this Chapter shall apply *mutatis mutandis*, to sub-licences.

CHAPTER X

RENUNCIATION AND NULLITY OF REGISTRATION OF INDUSTRIAL DESIGN

59. (1) The registered owner of an industrial design may renounce the registration by a declaration in writing signed by him or on his behalf in writing and submit it to the Director-General.

Renunciation of registration.

(2) The Director-General shall, on receipt of the said declaration, record it in the register and cause such record to be published in the Gazette.

(3) The renunciation shall take effect from the date that the Director-General receives the said declaration.

(4) Where a licence contract in respect of an industrial design is recorded in the register the Director-General shall not, in the absence of any provision to the contrary in such licence contract, accept or record the said renunciation except upon receipt of a signed declaration by which every licensee or sub-licensee on record consents to the said renunciation, unless the requirement of their consent is expressly waived in the licence contract.

60. (1) The Court may on the application, to which the registered owner of the industrial design and every assignee, licensee or sub-licensee on record shall be made a party, of any person having a legitimate interest, or of any competent authority including the Director-General, declare the registration of the industrial design null and void on any one or more of the following grounds—

Nullity of registration.

(a) that the provisions of sections 29, 30 and 31 have not been complied with :

Provided, however, that the grounds of nullity referred to in subsection (2) of section 29 shall not be taken into account if such grounds are not apparent on the date of the making of the application to Court ;

- (b) that the identical industrial design has been previously registered upon a prior application or has been conferred earlier priority by virtue of an application in that behalf upon the ground of prior registration in another country ;
- (c) that the essential elements of the registered industrial design have been unlawfully derived from the creation of another person within the meaning of section 33.

(2) Where an application under subsection (1) of this section relates to several industrial designs, included in the registration and any ground for nullity applies to some, the Court shall declare such registration null and void in so far as it relates to the industrial design in respect of which the ground for nullity applies.

Date and effect of nullity.

61. (1) Upon a final decision of the Court declaring total or partial nullity of the registration of an industrial design, the registration shall be deemed to have been null and void totally or partially, as the case may be, from the date of such registration.

(2) When a declaration of nullity becomes final the Registrar of the Court shall notify the Director-General who shall record such declaration in the register and cause it be published in the Gazette.

or registration, use the industrial design and exercise the exclusive rights referred to in paragraphs (a) to (c) of subsection (1) of section 47, but may only jointly withdraw the application, renounce the registration or conclude a licence contract.

CHAPTER IX

LICENCE CONTRACTS OF INDUSTRIAL DESIGNS

Interpretation.

51. For the purposes of this Part licence contract means any contract by which the registered owner of an industrial design (“the Licensor”) grants to another person or enterprise (“the licensee”) a licence to do any or all of the acts referred to in paragraphs (a), (b) and (c) of subsection (1) of section 47.

Form and record of licence contract.

52. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties.

(2) Upon a request in writing signed by or on behalf of the contracting parties, the Director-General shall on payment of the prescribed fee, record in the register such particulars relating to the contract as the parties thereto requires to be recorded :

Provided that the parties shall not be required to disclose or have recorded any other particulars relating to the said contract.

Rights of licensee.

53. In the absence of any provision to the contrary in the licence contract, the licensee shall—

- (a) be entitled to do any or all of the acts referred to in paragraphs (a), (b) and (c) of subsection (1) of section 47 within Sri Lanka, during the period of validity of the registration of the industrial design, inclusive of the period of renewal if any ;
- (b) not be entitled to assign or transmit his rights under the licence contract or grant sub-licenses to third parties.

54. (1) In the absence of any provision to the contrary in the licence contract, the licensor may grant further licenses to third parties in respect of the same industrial design or on behalf of himself do any or all of the acts referred to in sub-paragraphs (a), (b) and (c) of subsection (1) of section 47.

Rights of licensor.

(2) Where the license contract provides that the license is exclusive, and unless it is expressly provided otherwise in such contract, the licensor shall not grant further licenses to third parties in respect of the same industrial design or not execute any of the acts referred to in sub-paragraphs (a), (b) and (c) of subsection (1) of section 47 or cause to be executed.

55. Any clause or condition in a license contract shall be null and void in so far as it imposes upon the licensee, in industrial or commercial field, restrictions not derived from the rights conferred by this Part on the registered owner of an industrial design, or unnecessary for safeguarding of such rights :

Invalid clauses in license contracts.

Provided that—

- (a) restrictions concerning the scope, extent, or duration of use of the industrial design, or the geographical area in or the quality or quantity of the products in connection with which the industrial design may be used ; and
- (b) obligations imposed upon the licensee to refrain from all acts capable of prejudicing the validity of the registration of the industrial design,

shall not be deemed to constitute such restrictions.

56. Where, before the expiration of the license contract the registration is declared null and void the licensee in such event not be required to make any payment to the licensor under the licence contract, and shall be entitled to reimbursement of the payments already made :

Effect of nullity of registration of license contract.

Provided that the licensor shall not be required to make any repayment, or be required to make repayment in part, to the extent of his ability to prove that such repayment would be inequitable having considered all the circumstances and in particular whether the licensee has effectively profited from the licence.

Expiry,
termination or
invalidation of
licence
contract.

57. The Director-General shall—

- (1) if he is satisfied that a recorded licence contract has expired or been terminated, record that fact in the register upon a request in writing to that effect signed by or on behalf of the parties thereto ;
- (2) record in the register the expiry, termination or invalidation of a licence contract under any provision of this Part.

Licence
contracts
involving
payments
abroad.

58. (1) Where the Director-General has reasonable cause to believe that any licence contract or any amendment or renewal thereof—

- (a) which involves the payment of royalties abroad ; or
- (b) which by reason of other circumstances relating to such licence contract,

is detrimental to the economic development of Sri Lanka he shall in writing communicate such fact to the Governor of the Central Bank and transmit all papers in his custody relevant to the matter which are essential to the making of a decision on such matter to the Governor of the Central Bank.

(2) Where the Governor of the Central Bank on receipt of any communication under subsection (1) informs the Director-General in writing that the said licence contract or any amendment or renewal thereof is detrimental to the economic development of Sri Lanka, the Director-General shall cancel and invalidate the record of such contract in the register.

(3) The provisions of this section shall apply, *mutatis mutandis*, to assignment and transmissions.

(4) The provisions of this Chapter shall apply *mutatis mutandis*, to sub-licences.

CHAPTER X

RENUNCIATION AND NULLITY OF REGISTRATION OF INDUSTRIAL DESIGN

59. (1) The registered owner of an industrial design may renounce the registration by a declaration in writing signed by him or on his behalf in writing and submit it to the Director-General.

Renunciation of registration.

(2) The Director-General shall, on receipt of the said declaration, record it in the register and cause such record to be published in the Gazette.

(3) The renunciation shall take effect from the date that the Director-General receives the said declaration.

(4) Where a licence contract in respect of an industrial design is recorded in the register the Director-General shall not, in the absence of any provision to the contrary in such licence contract, accept or record the said renunciation except upon receipt of a signed declaration by which every licensee or sub-licensee on record consents to the said renunciation, unless the requirement of their consent is expressly waived in the licence contract.

60. (1) The Court may on the application, to which the registered owner of the industrial design and every assignee, licensee or sub-licensee on record shall be made a party, of any person having a legitimate interest, or of any competent authority including the Director-General, declare the registration of the industrial design null and void on any one or more of the following grounds—

Nullity of registration.

(a) that the provisions of sections 29, 30 and 31 have not been complied with :

- 48.** The provisions of subsection (1) of section 47 shall—
- (1) extend only to acts done for industrial or commercial purposes ;
 - (2) not preclude third parties from performing any of the acts referred to therein in respect of a product embodying the registered industrial design after the said product has been lawfully manufactured, imported, offered for sale, sold, used or stocked in Sri Lanka.
- Limitation of registered owner's rights.

CHAPTER VIII

ASSIGNMENT AND TRANSMISSION OF APPLICATIONS FOR REGISTRATION OF INDUSTRIAL DESIGNS AND REGISTRATIONS OF THE SAME

- 49.** (1) An application for registration or the registration of an industrial design may be assigned or transmitted and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.
- Assignment and transmission of applications and registrations.
- (2) Any person becoming entitled by assignment or by transmission to an application for registration or the registration of an industrial design may apply to the Director-General in the prescribed manner along within the prescribed fee to have such assignment or transmission recorded in the register.
- (3) No such assignment or transmission shall be recorded in the register unless the prescribed fee has been paid to the Director-General.
- (4) No such assignment or transmission shall have effect against third parties unless so recorded in the register.

- 50.** In the absence of any agreement to the contrary between the parties, joint owners of an application for registration or the registration of an industrial design may, separately, assign or transmit their rights in the application
- Joint ownership of applications and registration.

or registration, use the industrial design and exercise the exclusive rights referred to in paragraphs (a) to (c) of subsection (1) of section 47, but may only jointly withdraw the application, renounce the registration or conclude a licence contract.

CHAPTER IX

LICENCE CONTRACTS OF INDUSTRIAL DESIGNS

Interpretation.

51. For the purposes of this Part licence contract means any contract by which the registered owner of an industrial design (“the Licensor”) grants to another person or enterprise (“the licensee”) a licence to do any or all of the acts referred to in paragraphs (a), (b) and (c) of subsection (1) of section 47.

Form and record of licence contract.

52. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties.

(2) Upon a request in writing signed by or on behalf of the contracting parties, the Director-General shall on payment of the prescribed fee, record in the register such particulars relating to the contract as the parties thereto requires to be recorded :

Provided that the parties shall not be required to disclose or have recorded any other particulars relating to the said contract.

Rights of licensee.

53. In the absence of any provision to the contrary in the licence contract, the licensee shall—

- (a) be entitled to do any or all of the acts referred to in paragraphs (a), (b) and (c) of subsection (1) of section 47 within Sri Lanka, during the period of validity of the registration of the industrial design, inclusive of the period of renewal if any ;
- (b) not be entitled to assign or transmit his rights under the licence contract or grant sub-licenses to third parties.

(4) Where the renewal fee has not been paid within such period or such extended period as is specified in subsection (2), the Director-General shall remove from the relevant register the registration relating to such industrial design.

CHAPTER VII

RIGHTS OF A REGISTERED OWNER OF AN INDUSTRIAL DESIGN

Rights of a registered owner of an industrial design.

47. (1) Subject and without prejudice to other provisions of this Part, the registered owner of an industrial design shall in relation to such industrial design have the exclusive rights to —

- (a) reproduce and embody such industrial design in making a product ;
- (b) import, offer for sale, sell or use a product embodying such industrial design ;
- (c) stock for the purpose of offering for sale, selling or using, a product embodying such industrial design ;
- (d) assign or transmit the registration of the industrial design ;
- (e) conclude licence contracts.

(2) No person shall do any of the acts referred to in subsection (1) without the consent of the registered owner of the industrial design.

(3) The acts referred to in subsection (1), if done by any unauthorized person, shall not be lawful solely by reason of the fact that the reproduction of the registered industrial design differs from the registered industrial design in minor respects or that the reproduction of the registered industrial design is embodied in a type of product different from a product embodying the registered industrial design.

- 48.** The provisions of subsection (1) of section 47 shall—
- (1) extend only to acts done for industrial or commercial purposes ;
 - (2) not preclude third parties from performing any of the acts referred to therein in respect of a product embodying the registered industrial design after the said product has been lawfully manufactured, imported, offered for sale, sold, used or stocked in Sri Lanka.
- Limitation of registered owner's rights.

CHAPTER VIII

ASSIGNMENT AND TRANSMISSION OF APPLICATIONS FOR REGISTRATION OF INDUSTRIAL DESIGNS AND REGISTRATIONS OF THE SAME

- 49.** (1) An application for registration or the registration of an industrial design may be assigned or transmitted and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.
- Assignment and transmission of applications and registrations.
- (2) Any person becoming entitled by assignment or by transmission to an application for registration or the registration of an industrial design may apply to the Director-General in the prescribed manner along within the prescribed fee to have such assignment or transmission recorded in the register.
- (3) No such assignment or transmission shall be recorded in the register unless the prescribed fee has been paid to the Director-General.
- (4) No such assignment or transmission shall have effect against third parties unless so recorded in the register.

- 50.** In the absence of any agreement to the contrary between the parties, joint owners of an application for registration or the registration of an industrial design may, separately, assign or transmit their rights in the application
- Joint ownership of applications and registration.

registration ; if priority is validly claimed, an indication of that fact and the number, date and country of the application on the basis of which the priority is claimed ; the kinds and classes of products referred to in paragraph (d) subsection (1) of section 36 and the name and address of the creator of the industrial design, if he has requested his name to be indicated as such in the registration.

43. Any person may examine the register and may obtain certified extracts therefrom on payment of the prescribed fee.

Examination of register and certified copies.

44. The Director-General shall cause to be published in the Gazette, in the prescribed form, all registered industrial designs in the order of their registration, including in respect of each industrial design so published reference to such particulars as may be prescribed.

Publication of registered industrial designs.

CHAPTE R VI

DURATION OF REGISTRATION OF AN INDUSTRIAL DESIGN

45. Subject to, and without prejudice to the other provisions of this Part, registration of an industrial design shall expire on the completion of five years from the date of receipt of the application for registration.

Duration of registration.

46. (1) Registration of an industrial design may be renewed for two consecutive periods of five years each, on an application made in that behalf and on payment of the prescribed fee.

Renewal.

(2) The renewal fee shall be paid within the six months preceding the date of expiration of the period of registration :

Provided, however, that a period of grace of six months shall be allowed for the payment of the fee after the date of such expiration, upon payment of such surcharge as may be prescribed.

(3) The Director-General shall record in the register and cause to be published in the Gazette in the prescribed form a list of all renewals of registration of industrial designs.

(4) Where the renewal fee has not been paid within such period or such extended period as is specified in subsection (2), the Director-General shall remove from the relevant register the registration relating to such industrial design.

CHAPTER VII

RIGHTS OF A REGISTERED OWNER OF AN INDUSTRIAL DESIGN

Rights of a registered owner of an industrial design.

47. (1) Subject and without prejudice to other provisions of this Part, the registered owner of an industrial design shall in relation to such industrial design have the exclusive rights to —

- (a) reproduce and embody such industrial design in making a product ;
- (b) import, offer for sale, sell or use a product embodying such industrial design ;
- (c) stock for the purpose of offering for sale, selling or using, a product embodying such industrial design ;
- (d) assign or transmit the registration of the industrial design ;
- (e) conclude licence contracts.

(2) No person shall do any of the acts referred to in subsection (1) without the consent of the registered owner of the industrial design.

(3) The acts referred to in subsection (1), if done by any unauthorized person, shall not be lawful solely by reason of the fact that the reproduction of the registered industrial design differs from the registered industrial design in minor respects or that the reproduction of the registered industrial design is embodied in a type of product different from a product embodying the registered industrial design.

35. (1) The creator of an industrial design shall be named as such in the registration, unless by a declaration in writing signed by him or any person authorized by him in writing in that behalf and submitted to the Director-General indicates his willingness to forgo his name being used in such registration.

Naming of creator of an industrial design.

(2) The provisions of subsection (1) not be altered, varied or modified by the terms of any contract.

CHAPTER V

REQUIREMENTS OF APPLICATION AND PROCEDURE FOR REGISTRATION OF AN INDUSTRIAL DESIGN

36. (1) An application for registration of an industrial design shall be made to the Director-General in the prescribed form and shall be accompanied by the prescribed fee and shall contain—

Requirements of application.

- (a) a request for registration of the industrial design ;
- (b) the name, address and description of the applicant and, if he is a resident outside Sri Lanka, a postal address for service in Sri Lanka ;
- (c) a specimen of the article embodying the industrial design or copies of a photographic or graphic representation of the industrial design, in colour where it is in colour, or drawings and tracings of the design ;
- (d) an indication of the kind of products for which the industrial design is to be used and, where the regulations make provision for classification, an indication of the class or classes in which such products are included ;
- (e) a declaration by the applicant that the industrial design is new to the best of his knowledge.

(2) The application for registration may be accompanied by a declaration signed by the creator of the industrial design, giving his name and address and requesting the same to be indicated in the registration.

(3) Where the applicant is not the creator of the industrial design the application shall be accompanied by a statement justifying the applicant's right to obtain registration.

(4) The Director-General shall in every case where the applicant is not the creator of the Industrial design, shall serve the creator with a copy of the statement referred to in subsection (3). The creator of the industrial design shall have the right to inspect the application and to receive, on payment of the prescribed fee, a copy thereof.

(5) Where the application is filed through an agent, it shall be accompanied by power of attorney granted to such agent by the applicant.

Right of priority.

37. The applicant for registration of an industrial design who desires to availhim self of the priority of an earlier application filed in a convention country shall, within six months of the date of such earlier application, append to his application a written declaration indicating the date and number of the earlier application, the name of the applicant and the country in which he or his predecessor in title filed such application and shall, within a period of three months from the date of the later application filed in Sri Lanka, furnish a copy of the earlier application certified as correct by the Appropriate Authority of the country where such earlier application was filed.

Application fee.

38. An application for registration of an industrial design shall not be entertained unless the prescribed fee has been paid to the Director-General.

Examination of application.

39. (1) The Director-General shall examine whether the applicant has complied with the provisions of sections 36, section 37 (where applicable) and section 38.

(2) Where the applicant fails to comply with the provision of sections 36 and 37 the Director-General shall refuse registration of the industrial design :

Provided that the Director-General shall first notify the applicant of any defect in the application and shall afford him an opportunity to remedy such defect within three months from the date of receipt of such notification.

(3) Where the applicant fails to comply with the provisions of section 37 the Director-General shall not, in connection with the registration of the industrial design, make any reference to the priority claimed

(4) Where the applicant complies with the provisions of section 37 the Director-General shall, in connection with the registration of the industrial design, record the priority claimed.

(5) Where the Director-General refuses to register an industrial design he shall, state the grounds for such refusal and inform the applicant, on payment of a prescribed fee of the grounds for his decision.

40. (1) Where the applicant complies with the provisions of sections 36 and 38 the Director-General shall examine the industrial design in relation to the provisions of section 29.

Registration.

(2) Where the industrial design is not registrable under section 29 the Director-General shall notify the applicant accordingly, stating the grounds for refusal of registration.

(3) Where the Director-General refuses the application of a person for registration of an industrial design, the applicant may within a period of one month from the date of such notification in terms of section (2), make his submissions in writing on the matter of such refusal to the Director-General.

(4) On receipt of any such submission as required by subsection (3) the Director-General may grant such applicant a hearing and inform him of the date and time of such hearing. The Director-General may after such hearing register or refuse to register such industrial design.

(5) (a) Notwithstanding the provisions of subsections (1) (2), (3) and (4) where the Director-General finds that the essential elements of an industrial design is derived from an industrial design already registered in respect of which an application for registration is made, he shall notify the applicant accordingly and request him, with a copy to the registered owner of the cited industrial design, to show that the industrial design is not so derived.

(b) The applicant may, within a period of three months from the date of such notice, tender his written submissions to the Director-General with the prescribed fee. The registered owner of the cited industrial design may also tender his observations in writing within the same period of time.

(c) On receipt of such written submissions and observations, if any, the Director-General shall after hearing the parties if he considers it necessary forthwith determine whether such industrial design should be registered or not.

(d) Where the applicant fails to tender his written submissions as required by paragraph (b) of subsection (5) the Director-General shall refuse the application for the registration of the industrial design for reasons to be stated and he shall in writing, if the applicant so requests, inform the applicant in writing of the grounds for his decision on payment by the applicant of the prescribed fee.

(6) Where the Director-General is of the opinion that the industrial design is registrable he may request the applicant to pay within a period of one month the prescribed fee for publication of the application.

(7) Where the fee for publication of the application is not paid within the prescribed period registration of the industrial design shall be refused.

(8) (a) If the fee for publication is paid within the prescribed period the Director-General shall proceed to publish the application setting out the date of application, number of the application, the name and address of the applicant and if the applicant is resident outside Sri Lanka, a postal address for service in Sri Lanka, the priority claimed, a description of the industrial design and the kind and class of the industrial design.

(b) Notwithstanding the provisions of subsections (6), (7) and paragraph (a) of subsection (8), the Director-General may in his discretion by a written notice, require the applicant to publish the application in accordance with the provisions of paragraph (a) of subsection (8) and in the form as indicated by the Director-General. Where the applicant fails or neglects to publish the application as required by the Director-General within a period of two months from the said notice of the Director-General, the application may be refused.

(9) Where any person considers that the industrial design is not registrable on one or more grounds referred to in section 29 he may within a period of two months from the date of publication give to the Director-General in a prescribed form and together with the prescribed fee, notice of opposition to such registration stating his grounds of opposition accompanied by evidence to substantiate such grounds.

(10) Where notice of opposition has not been received by the Director-General within the period specified in subsection (9) the Director-General shall register the industrial design.

(11) Where, within the period specified in subsection (9) notice of opposition in the prescribed form is received by the Director-General, together with the prescribed fee, he shall serve a copy of such grounds of opposition on the applicant and shall request him to present his observations on those grounds in writing accompanied by evidence to support his application within a period of one month.

(12) On receipt of the observations of the applicant the Director-General shall after hearing the parties, where taking all the circumstances into consideration he considers such hearing necessary, decide, as expeditiously as possible, whether or not the industrial design may be registered. If he decides that the industrial design is registrable he shall accordingly register such industrial design—

- (a) where no appeal is preferred against his decision, upon the expiry of the period within which an appeal may be preferred against his decision ;
- (b) where an appeal is preferred against his decision, upon the dismissal of such appeal, as the case may be.

(13) The Director-General may allow a reasonable extension of the prescribed period within which any act has to be done or any fee has to be paid under this section.

Issue of certificate of registration.

41. Upon the registration of an industrial design, the Director-General shall issue to the registered owner thereof a Certificate of Registration and shall, at the request of the registered owner, send such certificate to him by registered post to his last recorded postal address in Sri Lanka or, if he is resident outside Sri Lanka, to his last recorded postal address.

Register of Industrial Designs.

42. (1) The Director-General shall keep and maintain a register called the “Register of Industrial Designs” wherein shall be recorded, in the order of their registration, all registered industrial designs and such other particulars relating to the industrial designs as are authorised or directed by this Part to be so recorded or may from time to time be prescribed

(2) The registration of an industrial design shall include a representation of the industrial design and shall specify its number, the name and address of the registered owner and, if the registered owner is resident outside Sri Lanka, a postal address for service in Sri Lanka ; the date of application and

registration ; if priority is validly claimed, an indication of that fact and the number, date and country of the application on the basis of which the priority is claimed ; the kinds and classes of products referred to in paragraph (d) subsection (1) of section 36 and the name and address of the creator of the industrial design, if he has requested his name to be indicated as such in the registration.

43. Any person may examine the register and may obtain certified extracts therefrom on payment of the prescribed fee.

Examination of register and certified copies.

44. The Director-General shall cause to be published in the Gazette, in the prescribed form, all registered industrial designs in the order of their registration, including in respect of each industrial design so published reference to such particulars as may be prescribed.

Publication of registered industrial designs.

CHAPTE R VI

DURATION OF REGISTRATION OF AN INDUSTRIAL DESIGN

45. Subject to, and without prejudice to the other provisions of this Part, registration of an industrial design shall expire on the completion of five years from the date of receipt of the application for registration.

Duration of registration.

46. (1) Registration of an industrial design may be renewed for two consecutive periods of five years each, on an application made in that behalf and on payment of the prescribed fee.

Renewal.

(2) The renewal fee shall be paid within the six months preceding the date of expiration of the period of registration :

Provided, however, that a period of grace of six months shall be allowed for the payment of the fee after the date of such expiration, upon payment of such surcharge as may be prescribed.

(3) The Director-General shall record in the register and cause to be published in the Gazette in the prescribed form a list of all renewals of registration of industrial designs.

Provided that anything in an industrial design which serves solely to obtain a technical result shall not be protected under this Part.

Definition of novelty.

31. (1) For the purpose of this Part a new industrial design means an industrial design which had not been made available to the public anywhere in the world and at any time whatsoever through description, use or in any other manner before the date of an application for registration of such industrial design or before the priority date validly claimed in respect thereof.

(2) An industrial design shall not be deemed to have been made available to the public solely by reason of the fact that, within the period of six months preceding the filing of an application for registration, it had been a display at an official or officially recognized, international exhibition.

(3) An industrial design shall not be considered a new industrial design solely by reason of the fact that it differs from an earlier industrial design in minor respects or that it concerns a type of product different from a product embodying an earlier industrial design.

CHAPTER IV

RIGHT TO PROTECTION OF INDUSTRIAL DESIGN

Ownership and right to protection of industrial design.

32. (1) The right to obtain protection of an industrial design belongs to its owner.

(2) Subject to provisions of section 34, the owner of an industrial design or his successor in title is its creator .

(3) Where two or more persons have jointly created an industrial design, the right to obtain protection shall belong to them jointly :

Provided that a person who has merely assisted in the creation of an industrial design but has made no contribution of a creative nature shall not be deemed to be the creator or a co-creator of such industrial design.

(4) Subject to the provisions of sections 33 and 34 the person who makes the first application for the registration of an industrial design or the person who first validly claims the earliest priority for his application shall be deemed to be the creator of such industrial design.

33. (1) Where the essential elements of an industrial design, are the subject of an application for registration or have been derived from an industrial design, for which the right to protection belongs to another person, such other person may apply in writing to the Director-General to assign the said application or registration to him.

Industrial design.

(2) The application for assignment shall be forwarded with the prescribed fee and evidence to substantiate the claim of the applicant. Where the registration has already been effected, the application under subsection (1) shall be made within one year from the date of the publication of the registration under section 44.

(3) The Director-General shall forthwith send a copy of such application for assignment to the applicant for registration or the registered owner of the industrial design, who shall within a period of three months from the date of such notice forward to the Director-General a counter statement in the prescribed manner together with the prescribed fee and evidence to substantiate his claim.

(4) If the applicant or the registered owner forwards a counter statement as referred to in subsection (3), the Director-General shall after hearing the parties, if he considers it necessary decide as expeditiously as possible whether the application or registration should be assigned and, where applicable whether the register should be rectified. If the applicant or the registered owner fails to forward a counter statement as provided for in subsection (3) within the period of three months, the Director-General shall allow the application referred to in subsection (1).

(5) Where, after an application for the registration of an industrial design has been filed, the person to whom the right to protection belongs gives his consent to the filling of the said application, such consent shall, for all purposes, be deemed to have been effective from the date of filling of such application.

Industrial design created by the employee to accrue to employer.

34. (1) In the absence of any provision to the contrary in any contract of employment or for the execution of work, the ownership of an industrial design created in the performance of such contract or in the execution of such work shall be deemed to accrue to the employer, or the person who commissioned the work, as the case may be :

Provided that where the industrial design acquires an economic value much greater than the parties could reasonably have foreseen at the time of concluding the contract of employment or for the execution of work, as the case may be, the creator shall be entitled to equitable remuneration which may be fixed by the Court on an application made by the creator to Court in the absence of an agreement between the parties.

(2) Where an employee whose contract of employment does not require him to engage in any creative activity creates, in the field of activities of his employer, an industrial design using data or means placed at his disposal by his employer, the ownership of such industrial design shall be deemed to accrue to the employer in the absence of any provision to the contrary in the contract of employment :

Provided that the employee shall be entitled to equitable remuneration, which in the absence of agreement between the parties, may be fixed by the Court on an application made by the employee, taking into account his emoluments, the economic value of the industrial design and any benefit derived from it by the employer.

(3) The rights conferred on the creator of an industrial design by subsections (1) and (2) shall not be restricted by contract.

35. (1) The creator of an industrial design shall be named as such in the registration, unless by a declaration in writing signed by him or any person authorized by him in writing in that behalf and submitted to the Director-General indicates his willingness to forgo his name being used in such registration.

Naming of creator of an industrial design.

(2) The provisions of subsection (1) not be altered, varied or modified by the terms of any contract.

CHAPTER V

REQUIREMENTS OF APPLICATION AND PROCEDURE FOR REGISTRATION OF AN INDUSTRIAL DESIGN

36. (1) An application for registration of an industrial design shall be made to the Director-General in the prescribed form and shall be accompanied by the prescribed fee and shall contain—

Requirements of application.

- (a) a request for registration of the industrial design ;
- (b) the name, address and description of the applicant and, if he is a resident outside Sri Lanka, a postal address for service in Sri Lanka ;
- (c) a specimen of the article embodying the industrial design or copies of a photographic or graphic representation of the industrial design, in colour where it is in colour, or drawings and tracings of the design ;
- (d) an indication of the kind of products for which the industrial design is to be used and, where the regulations make provision for classification, an indication of the class or classes in which such products are included ;
- (e) a declaration by the applicant that the industrial design is new to the best of his knowledge.

- (b) broadcasts transmitted from transmitters situated in Sri Lanka.

(4) The provisions of this Part shall in addition apply to performers, producers of sound recordings and broadcasting organisations protected by virtue of, and in accordance with, any international convention or any international agreement to which Sri Lanka is a party.

PART III

CHAPTER III

INDUSTRIAL DESIGNS

SCOPE OF THIS PART AND DEFINITIONS

28. The protection of industrial designs provided under this Part shall be in addition to and not in derogation of any other protection provided under any other written law, in particular under Part II of this Act.

Conditions for protection.

29. The protection provided under this Part shall—

Scope of this Part.

- (a) apply only to new industrial designs ;
- (b) not apply to an industrial design which consists of any scandalous design or is contrary to morality or public order or public interest or which, in the opinion of the Director-General or of any Court to which such matter has been referred to is likely to offend the religious or racial susceptibilities of any community.

30. For the purposes of this Part any composition of lines or colours or any three dimensional form, whether or not associated with lines or colours, that gives a special appearance to a product of industry or handicraft and is capable of serving as a pattern for a product of industry or handicraft shall be deemed to be an industrial design :

Definition of industrial design.

Provided that anything in an industrial design which serves solely to obtain a technical result shall not be protected under this Part.

Definition of novelty.

31. (1) For the purpose of this Part a new industrial design means an industrial design which had not been made available to the public anywhere in the world and at any time whatsoever through description, use or in any other manner before the date of an application for registration of such industrial design or before the priority date validly claimed in respect thereof.

(2) An industrial design shall not be deemed to have been made available to the public solely by reason of the fact that, within the period of six months preceding the filing of an application for registration, it had been a display at an official or officially recognized, international exhibition.

(3) An industrial design shall not be considered a new industrial design solely by reason of the fact that it differs from an earlier industrial design in minor respects or that it concerns a type of product different from a product embodying an earlier industrial design.

CHAPTER IV

RIGHT TO PROTECTION OF INDUSTRIAL DESIGN

Ownership and right to protection of industrial design.

32. (1) The right to obtain protection of an industrial design belongs to its owner.

(2) Subject to provisions of section 34, the owner of an industrial design or his successor in title is its creator .

(3) Where two or more persons have jointly created an industrial design, the right to obtain protection shall belong to them jointly :

Provided that a person who has merely assisted in the creation of an industrial design but has made no contribution of a creative nature shall not be deemed to be the creator or a co-creator of such industrial design.

16. (1) The owner of a copyright may -

Assignment or
licence of
author's rights.

- (a) grant licence to a physical person or legal entity to carry out all or any of the acts relating to the economic rights referred to in section 9 ;
- (b) assign or transfer in whole or any part of the economic rights referred to in section 9.

(2) Any assignment or transfer of an economic right, and any licence to do such an act subject to authorization by the owner of the copyright, shall be in writing signed by the assignor and the assignee, transferor and the transferee or by the licensor and the licensee, as the case may be.

(3) An assignment or transfer in whole or in part of any economic right, or a licence to do an act subject to authorization by the owner of copyright, shall not include or be deemed to include the assignment or transfer or licence in respect of any other rights not expressly referred to therein.

CHAPTER II

RELATED RIGHTS

[PROTECTION OF RIGHTS OF PERFORMERS, PRODUCERS OF SOUND
RECORDING AND BROADCASTING ORGANIZATION]

17. (1) Subject to the provisions of section 21, a performer shall have exclusive right to carry out or to authorize any of the following acts :—

Rights requiring
authorization of
performers.

- (a) the broadcasting or other communication to the public of his performance or a substantial part thereof, except where the broadcasting, or the other communication—
 - (i) is made from a fixation of the performance, other than a fixation made in terms of section 21 ; or

(ii) is a re-broadcasting, made or authorized by the organisation initially broadcasting the performance or substantial part thereof ;

(b) the fixation of his unfixed performance or substantial part thereof ;

(c) the reproduction of a fixation of his performance or substantial part thereof.

(2) Once the performer has authorized the incorporation of his performance in a audiovisual fixation, the provisions of subsection (1) shall have no further application.

(3) Nothing in this section shall be construed to deprive performers of the right to enter into contracts in respect of their performances on terms and conditions more favourable to them.

(4) The rights under this section shall be protected from the moment the performance takes place until the end of the fiftieth calendar year following the year in which the performance takes place.

Rights of
producers of
sound recordings.

18. (1) Subject to the provisions of section 21, a producer of a sound recording shall have the exclusive right to carry out or to authorise any of the following acts :—

(a) the direct or indirect reproduction of the sound recording or substantial part thereof ;

(b) the importation of copies of the sound recording or a substantial part thereof even where such imported copies were made with the authorisation of the producer ;

(c) the adaptation or other transformation of the sound recording or a substantial part thereof ;

(d) the rental of a copy of the sound recording or a substantial part thereof, irrespective of the ownership of the copy rented ;

- (e) the sale or offering for sale to the public of the original or copies of the sound recording or substantial part thereof.

(2) The rights under subsection (1) of this section shall be protected from the date of publication of the sound recording until the end of the fiftieth calendar year following the year of publication, or if the sound recording has not been published, from the date of fixation of the sound recording until the end of fiftieth calendar year following the year of fixation.

19. (1) where a sound recording published for commercial purposes, or a reproduction of such sound recording, is used directly for broadcasting or other form of communication to the public, or is publicly performed, a single equitable remuneration for the performer or performers and the producer of the sound recording shall be paid by the user.

Equitable remuneration for use of sound recordings.

(2) Unless otherwise agreed between the performer or the producer, half of the sum received by the producer under subsection (1) shall be paid by the producer to any performer.

(3) The right to an equitable remuneration under this section shall subsist from the date of publication of the sound recording until the end of the fiftieth calendar year following the year of publication, or if the sound recording has not been published, from the date of fixation of the sound recording until the end of the fiftieth calendar year following the year of fixation.

20. (1) Subject to the provisions of section 21, a broadcasting organisation shall have the exclusive right to carry out or to authorize any of followings acts :—

Rights of broadcasting organisation.

- (a) the re-broadcasting of its broadcast or a substantial part thereof ;
- (b) the communication to the public of its broadcast or a substantial part thereof ;

- (c) the fixation of its broadcast or a substantial part thereof ;
- (d) the reproduction of a fixation of its broadcast or a substantial part thereof.

(2) The rights under this section shall be protected from the moment when the broadcasting takes place until the end of the fiftieth calender year following the year in which broadcast takes place.

Limitations on protection.

21. Sections 17, 18, 19 and 20 shall not apply where the acts referred to in those sections are related to—

- (a) the use by a physical person exclusively for his own personal purposes ;
- (b) using short excerpts for reporting current events to the extent justified by the purpose of providing current information ;
- (c) use solely for the purpose of face to face teaching activities or for scientific research ;
- (d) cases where, under copyright, a work can be used without the authorization of the owner of copyright.

Enforcement of rights and disputes resolution.

22. (1) Any person who infringes or is about to infringe any of the rights protected under this Part may be prohibited from doing so by way of an injunction and be liable to damages. The owner of such rights is entitled to seek such other remedy as the court may deem fit.

- (2) (a) The Court shall have power and jurisdiction—
 - (i) to grant such injunctions to prohibit the commission of any act of, infringement or the continued commission of such acts of infringement of any right protected under this Part ;

- (ii) to order the impounding of copies of works or sound recordings suspected of being made sold, rented or imported without the authorization of the owner of any right protected under this Part where the making, selling, renting or importation of copies is subject to such authorization, as well as the impounding of the packaging of, the implements that could be used for the making of, and the documents, accounts or business papers, referring to, such copies.

(b) The Court shall in addition have the jurisdiction to order the payment by the infringer, of damages for the loss suffered as a consequence of the act of infringement, as well as the payment of expenses caused by the infringement, including legal costs. The amount of damages shall be fixed taking into account *inter alia*, the importance of the material and moral prejudice suffered by the owner of the right, as well as the importance of the infringer's profits attributable to the infringement. Where the infringer did not know or had no reasonable cause to know that he or it was engaged in infringing activity, the court may limit damages to the profits of the infringer attributable to the infringement or to pre established damages.

(c) The Court shall have the authority to order the destruction or other reasonable manner of disposing of copies made in infringement of any right protected under this Part if available and their packaging outside the channels of commerce in such a manner as would avoid harm to the owner of the rights, unless he requests otherwise. The provisions of this section shall not be applicable to copies and their packaging which were acquired by a third party in good faith.

(d) Where there is a danger that implements may be used to commit or continue to commit acts of infringement, the Court shall, whenever and to the extent that it is reasonable, order their destruction or other reasonable manner of disposing of the same outside the channels of commerce in such a manner as to minimize the risks of further infringements, including surrender to the owner of the rights.

(e) Where there is a danger that acts of infringement may be continued, the court shall make such orders as may be necessary prevent such acts being committed.

(f) The provisions of Chapter XXXV of this Act relating to infringement and remedies shall apply, *mutatis mutandis*, to rights protected under this Part.

(g) Any person who infringes or attempts to infringe any of the rights protected under this Part shall be guilty of an offence and on conviction be liable to any penalty as provided for in Chapters XXXVIII and XLI of the Act.

(3) (a) The Director-General may on an application being made in the prescribed form and manner by a person aggrieved by any of his rights under this Part being infringed or in any other manner affected, and after such inquiry as he thinks fit determine any question that may be necessary or expedient to determine in connection with such application and such decision shall be binding on the parties subject to the provisions of paragraph (b) of this subsection.

(b) Any person aggrieved by the decision of the Director-General may make an appeal to the Court and unless the Court issues an interim order staying the operation of the decision of the Director-General, such decision shall continue to be in force until the matter is decided by the Court.

Measures, remedies and sanctions against abuses in respect of technical means.

23. (1) The following acts shall be considered unlawful and in the application of section 22 shall be assimilated to infringements of the rights of the owner of copyright :—

- (i) the manufacture or importation for sale or rental of any device or means specifically designed or adapted to circumvent any device or means intended to prevent or restrict reproduction of a work or to impair the quality of copies made (the latter device or means hereinafter referred to as “copy protection or copy management device or means”);

- (ii) the manufacture or importation for sale or rental of any device or means that is susceptible to enable or assist the reception of an encrypted program, which is broadcast or otherwise communicated to the public, including reception by satellite, by those who are not entitled to receive the program.

(2) In the application of section 22, any illicit device and means mentioned in subsection (1) of this section shall be assimilated to infringing copies of works.

(3) The owner of copyright in a work shall also be entitled to the damages for infringement provided for in section 22 where—

- (a) authorized copies of the work have been made and offered for sale or rental in an electronic form combined with a copy protection or copy management device or means, and a device or means specifically designed or adapted to circumvent the said device or means, made or imported for sale or rental ;
- (b) the work is authorised for inclusion in an encrypted program, broadcast or otherwise communicated to the public, including by satellite, and a device or means enabling or assisting the reception of the program by those who are not entitled to receive the program made or imported, for sale or rental.

24. (1) Subject to the provision of subsection (4) of this section expressions of folklore shall be protected against—

- (a) reproduction ;
- (b) communication to the public by performance, broadcasting, distribution by cable or other means ;
- (c) adaptation, translation and other transformation, when such expressions are made either for commercial purposes or outside their traditional or customary context.

Protection of expressions of folklore and damages.

(2) The rights conferred by subsection (1) of this section shall not apply where the acts referred to therein are related to –

- (a) the use by a physical person exclusively for his own personal purposes ;
- (b) using short excerpts for reporting current events to the extent justified by the purpose of providing current information ;
- (c) the use solely for the purpose of face to face teaching or for scientific research ;
- (d) instances referred to in sections 11 and 12, where a work can be used without the authorization of the owner of copyright.

(3) In all printed publications, and in connection with any communication to the public of any identifiable expression of folklore, its source shall be indicated in an appropriate manner and in conformity with fair practice by mentioning the community or place from where the expression utilized has been derived.

(4) The right to authorize acts referred to in subsection (1) of this section shall subject to the payment of a prescribed fee, vest in a Competent authority to be determined by the Minister.

(5) The money collected under subsection (4) shall be used for purposes of cultural development.

(6) Any person who, without the permission of the Competent Authority referred to in subsection (4), uses an expression of folklore in a manner not permitted by this section shall be in contravention of the provisions of this section and shall be liable to damages, and be subject to an injunctions and any other remedy as the Court may deem fit to award in the circumstances.

25. (1) (a) No person or body of persons corporate or unincorporate shall, after the coming into operation of this Act, commence or carry on the business of issuing or granting licences in respect of any right protected under this Part except under or in accordance with, the provisions of paragraph (c) of this subsection :

Registration of society, administration of rights by societies, control over the rights and submission of report.

Provided that the owner of such right shall, in his individual capacity, continue to have the right to grant licences in respect of his own rights. Where such owner is a member of a society registered under this section the grant of such licences shall be consistent with his obligations as a member of such society.

(b) Any body of persons corporate or unincorporate which fulfils such conditions as may be prescribed, apply to the Director-General for permission to engage in the business specified in paragraph (a) and register the society.

(c) The Director-General may having regard to the interests of the owners of the rights protected under this Part, the interests and convenience of the public and in particular of the groups of persons who are most likely to seek licences in respect of relevant rights and the ability and professional competence of the applicant to grant permission to commence or carry on business specified in paragraph (a) of subsection (1) and register such person or body of persons as a collective society subject to such conditions as may be prescribed :

Provided that the Director-General shall not ordinarily register more than one such society to do business in respect of the same class of rights.

(d) The Director-General may, if he is satisfied that the society is being managed in a manner detrimental to the interests of the owners of rights concerned, cancel or suspend the registration of the society and the permission to commence or carry on business as specified in paragraph (a) of this subsection, after such inquiry as may be necessary.

(e) The Director-General may by order cancel or suspend the registration of such society and the permission to carry on business pending inquiry for such period not exceeding one year as may be specified in such order under paragraph (d) of this subsection.

(f) Where the Director-General suspends the registration of a society, he shall thereupon appoint an administrator to carry out the functions of the society.

(2) (a) Subject to such conditions as may be prescribed—

- (i) a society may accept from an owner of the rights exclusive authorization to administer any right under this Part by the issue of licences or collection of licence fees or both ; and
- (ii) an owner of the rights shall have the right to withdraw such authorization without prejudice to the rights of the society under any contract between such owner and society.

(b) It shall be competent for a society to enter into any agreement with any foreign society or organization administering rights corresponding to the rights protected under this Part, and to entrust to such foreign society or organization the administration in any foreign country of rights administered by the said society in Sri Lanka, or for administering in Sri Lanka the rights administered in a foreign country by such foreign society or organization :

Provided that no such society or organization shall permit any discrimination in regard to the terms of a licence or the distribution of fees collected in connection with the rights protected under this Part and in such foreign country.

(c) Subject to such conditions as may be prescribed, a society may –

- (i) issue licences in respect of any rights protected under this Part ;

- (ii) collect fees in pursuance of such licences ;
- (iii) distribute such fees among owners of rights after making deductions for its own expenses ;
- (iv) perform any other functions consistent with the provisions of subsection (4).

(3) (a) Every society shall be subject to the collective control of the owners of rights under this Part whose rights are administered in such a manner as may be prescribed in order to —

- (i) obtain the approval of such owners of rights for its procedures of collection and distribution of fees ;
- (ii) obtain their approval for the utilization of any amounts collected as fees for any purpose other than distribution to the owner of rights ; and
- (iii) provide to such owners regular, full and detailed information concerning all its activities, in relation to the administration of their rights.

(b) All fees distributed among the owners of rights shall, as far as may be, be distributed in proportion to the actual use of their works.

(4) (a) Every Society shall submit to the Director-General such returns as may be prescribed.

(b) The Director-General may call for any report or records of any society for the purpose of satisfying himself that the fees collected by the society in respect of the rights administered by it are being utilized or distributed in accordance with the provisions of this Part.

26. (1) The provisions of this Part in respect of the protection of literary, artistic or scientific works shall apply to —

Scope of application.

- (a) works of authors who are nationals of , or have their habitual residence in, Sri Lanka ; and

- (b) works first published in Sri Lanka, works first published in another country and hereupon published in Sri Lanka, within thirty days from such publication, irrespective of the nationality or residence of the author.

(2) The provisions of this Part shall also apply to works that are protected in Sri Lanka by virtue of, and in accordance with, any international convention or any international agreement to which Sri Lanka is a party.

Protection of performers.

27. (1) The provisions of this Part in respect of protection of performers shall apply to—

- (a) performers who are nationals of Sri Lanka ;
- (b) performers who are not nationals of Sri Lanka but whose performances :—
 - (i) take place on the territory of Sri Lanka ; or
 - (ii) are incorporated in sound recordings that are protected under this Part ; or
 - (iii) have not been fixed in a sound recording but are included in broadcasts qualifying for protection under this Part.

(2) The provisions of this Part on the protection of sound recordings, shall apply to —

- (a) sound recordings the producers of which, are nationals of Sri Lanka ;
- (b) sound recordings first fixed in Sri Lanka ; and
- (c) sound recordings first published in Sri Lanka.

(3) The provisions of this Part on the protection of broadcasts shall apply to—

- (a) broadcasts of broadcasting organisations where the registered office of such organisations are situated in Sri Lanka ; and

- (b) broadcasts transmitted from transmitters situated in Sri Lanka.

(4) The provisions of this Part shall in addition apply to performers, producers of sound recordings and broadcasting organisations protected by virtue of, and in accordance with, any international convention or any international agreement to which Sri Lanka is a party.

PART III

CHAPTER III

INDUSTRIAL DESIGNS

SCOPE OF THIS PART AND DEFINITIONS

28. The protection of industrial designs provided under this Part shall be in addition to and not in derogation of any other protection provided under any other written law, in particular under Part II of this Act.

Conditions for protection.

29. The protection provided under this Part shall—

Scope of this Part.

- (a) apply only to new industrial designs ;
- (b) not apply to an industrial design which consists of any scandalous design or is contrary to morality or public order or public interest or which, in the opinion of the Director-General or of any Court to which such matter has been referred to is likely to offend the religious or racial susceptibilities of any community.

30. For the purposes of this Part any composition of lines or colours or any three dimensional form, whether or not associated with lines or colours, that gives a special appearance to a product of industry or handicraft and is capable of serving as a pattern for a product of industry or handicraft shall be deemed to be an industrial design :

Definition of industrial design.

(c) No mark which was on the Register on the day immediately preceding the date of commencement of the Act and which under Part V is a registrable mark shall be removed from the register on the ground that it was not registrable, under the law in force at the date of its registration.

(d) Nothing in Part V shall—

- (i) invalidate the original registration of a mark which had validity on the register immediately before the date of commencement of this Act ; or
- (ii) subject any person to any liability in respect to any act or thing done before the date of commencement of this Act, to which he would not have been subject under the law in force at the time such act or thing was done.

CHAPTER XLIII

INTERPRETATION

Interpretation.

212. In this Act unless the context otherwise requires—

“Central Bank of Sri Lanka” means the Central Bank of Sri Lanka established under the Monetary Law Act (Chapter 422) ;

“convention country” means any country that has acceded to or ratified or that may hereafter accede to or ratify the Paris Convention for the protection of Industrial Property, as well as all members of the World Trade Organisation or States that may here after become members of the World Trade Organisation, and includes any country which has

entered into or which may hereafter enter into any treaty, convention or arrangement with Sri Lanka creating reciprocal rights and obligations between such country and Sri Lanka in regard to Industrial Designs, Patents and Marks and any other matter provided for by the Act and the registration thereof ;

“convention” means the Paris Convention for the protection of Industrial Property, World Trade Organisation or any other international or regional convention, treaty or arrangement to which Sri Lanka is party creating reciprocal rights and obligations between such country and Sri Lanka in regard to Industrial Designs, Patents. Marks and any other matter provided for by the Act and the registration there of ;

“Court” means a High Court established under Article 154P of the Constitution for a Province empowered with civil jurisdiction by Order published in the Gazette under section 2 of the High Court of Provinces (Special Provisions) Act, No. 10 of 1996 when the party or parties defendant to such action resides or reside or the cause of action has arisen or the contract sought to be enforced was made within the Province for which such High Court is established, or where no such High Court is established for any Province or vested with such civil jurisdiction the High Court established for the Western Province ;

“Transgenic” means an organism that expresses a characteristic not attainable normally by the species under natural circumstances, but which has been added by means of direct human intervention in its genetic composition.”.

213. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency.

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