

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- (a) the patent application is withdrawn ;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.

(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.

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.

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.

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 :