

CONTEMPORARY ANALYSIS ON DEVELOPMENT OF INTELLECTUAL PROPERTY LAW IN SRI LANKA

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Intellectual property can be defined as creations new ideas of the mind: inventions; literary and artistic works in such examples as record labels, musical piece; and symbols etc. Intellectual property can be furthermore divided into four major categories: Namely Copyrights, Trademarks, Patents and Trade Secrets. Intellectual Property law governs the infringement of above said areas in order to allow original creators to get benefited from their work and keeping them motivated for further endeavors. Digging into bit deeper copyright work covers the literature work naming few as textbooks, novels, reading materials in all kind of, plays etc. It moreover evolves to the extent of films, music, drawings, painting, architecture, photography and goes on. In the area of trademarks, IP plays a major role in order to protect trade brands. IP law governs and regulates Trade Secrets, making companies and individuals be safe from copying their work. As an example the world famous coca-cola recipe is a trade secret and an IP of the coca-cola company. A patent protects breach of pirating highly valuable work. World famous mobile phone manufacturer, Apple Inc patented their Iphone swipe function in the guise of a patent.

Common law did not recognize intellectual property rights. Justice Brandeis communicated this belief in his dissent to International

News Service v. Associated Press:¹ "The general rule of law is, that the noblest of human productions—knowledge, truths ascertained, conceptions, and ideas—become, after voluntary communication to others, as free as the air to common use."

When discussing more about Intellectual property, a question arise what is a right in Intellectual Property and how they allow protecting and governing an individual person to an extent of a country? Simply Intellectual Property rights are like any other property right. They allow creators, or owners to be benefitted from their own work or investment in a creation. Intellectual Property rights are highlighted and outlined throughout the Universal Declaration of Human Rights, thus making a significant importance to the whole mankind. Article 27 of the above mentioned declaration provides benefit from protecting against infringement of IP. The significant importance of intellectual property was first recognized in the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886). Both treaties are governed by the World Intellectual Property Organization (WIPO).

World Intellectual Property Organization (WIPO)² is an international organization

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¹ *International News Service v. Associated Press*, 248 U.S. 215 (1918)

² (WIPO - World Intellectual Property Organization, 2020), <https://www.wipo.int/portal/en/>

that governs and regulates rights of creators and owners of intellectual property. WIPO was established in 1970. WIPO works closely with its member states to ensure correct guidance of Intellectual Property rules and laws, and helps to implement such in respective legal systems. Furthermore WIPO helps to maintain a subtle international trade.

Intellectual Property rights must be governed and regulated by a administrated authority in a certain geographical area (a region, country) due to several critical reasons. The rapid development of mankind lies within its capacity to invent new ideas, mechanisms etc. Furthermore by implementing IP to a legal system it ensures to protect infringement o such rights which helps the original creator or the owner to be benefited from their work and to get motivate for creating new invention throughout. IP has a vast potential in elevating the lifestyle of a man and a country. It enhances the job market by creating new inventions and as the end result IP directly hits the economy of a country. It also helps the social development and benefits to the whole mankind.

A patent is an exclusive right granted for an invention – a product or process that provides a new way of doing something, or that offers a new technical solution to a problem. A patent provides patent owners with protection for their inventions. Protection is granted for a limited period, generally 20 years³. The International Patent system is governed and regulated by

World Intellectual Property Organization (WIPO), *The Patent Cooperation Treaty (PCT)*⁴ is a sub body that assists applicants in seeking patent protection internationally for their inventions. Patent protection means an invention cannot be commercially made, used, distributed or sold without the patent owner's consent. Patent rights are usually enforced in courts that, in most systems, hold the authority to stop patent infringement. A patent owner has the right to decide who may – or may not – use the patented invention for the period during which it is protected. Patent owners may give permission to, or license, other parties to use their inventions on mutually agreed terms. Owners may also sell their invention rights to someone else, who then becomes the new owner of the patent. Once a patent expires, protection ends and the invention enter the public domain. This is also known as becoming off patent, meaning the owner no longer holds exclusive rights to the invention, and it becomes available for commercial exploitation by others.

The first step in securing a patent is to file a patent application. The application generally contains the title of the invention, as well as an indication of its technical field. It must include the background and a description of the invention, in clear language and enough detail that an individual with an average understanding of the field could use or reproduce the invention. Such descriptions are usually accompanied by visual materials – drawings, plans or diagrams – that describe the invention in greater detail. The

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https://www.nipo.gov.lk/web/index.php?option=com_content&view=article&id=14&Itemid=145&lang=en

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<https://www.wipo.int/treaties/en/registration/pct/>

application also contains various “claims”, that is, information to help determine the extent of protection to be granted by the patent.

An invention must, in general, fulfill the following conditions to be protected by a patent. It must be of practical use; it must show an element of “novelty”, meaning some new characteristic that is not part of the body of existing knowledge in its particular technical field. That body of existing knowledge is called “prior art”. The invention must show an “inventive step” that could not be deduced by a person with average knowledge of the technical field. Its subject matter must be accepted as “patentable” under law. In many countries, scientific theories, mathematical methods, plant or animal varieties, discoveries of natural substances, commercial methods or methods of medical treatment (as opposed to medical products) are not generally patentable.

Patents are granted by national patent offices or by regional offices that carry out examination work for a group of countries – for example, the *European Patent Office (EPO)* and the *African Intellectual Property Organization (OAPI)*. Under such regional systems, an applicant requests protection for an invention in one or more countries, and each country decides whether to offer patent protection within its borders. The WIPO-administered *Patent Cooperation Treaty (PCT)* provides for the filing of a single international patent application that has the same effect as national applications filed in the designated countries. An applicant seeking protection may file one application and request

protection in as many signatory states as needed.

Below are some celebrated international case laws in patent infringement.

Samsung electronics co., ltd. v. apple inc. (s.ct. 2016)⁵. The U.S. Supreme Court addresses the issue of damages in design patents under 35 U.S.C. 289. In this decision, the Supreme Court ruled that the relevant “article of manufacture” for arriving at a sec 289 damages award need not be the end product sold to the consumer but may be only a component of that product. This decision overrules the Federal Circuit's 2015 Apple v. Samsung decision, at least as it applies to damage calculations under Section 289.

Apple inc. v. samsung electronics co., ltd. (fed. cir. 2015)⁶. This is the primary appeal from the nearly \$1 billion dollar trial verdict in the Apple v. Samsung litigation. In this decision Federal Circuit overturned the verdict with respect to Apple's trade dress rights, finding that the evidence showed that the trade dress was functional and unprotected. However, the Federal Circuit held that the functional aspects in Apple's design patents did not prevent a finding of infringement of those elements. The Federal Circuit found that it was not necessary to ignore functional elements in a design patent when considering infringement. The Federal Circuit also found that Apple should be awarded Samsung's profits on the entirety of the infringing cell phones, a decision that was overturned by the Supreme Court.

⁵ 137 S. Ct. 429, 196 L. Ed. 2d 363, 580 US ___ - Supreme Court, 2016

⁶ 786 F. 3d 983 - Court of Appeals, **Federal Circuit**, 2015

Ethicon endo-surgery, inc. v. covidien, inc. (fed. cir. 2015)⁷. The Federal Circuit considered how to consider alternative designs when analyzing whether a design patent is invalid for being directed to a functional design. The Federal Circuit clarified that there is no mandatory test for determining whether a claimed design is dictated by its function. Nonetheless, an inquiry into whether a design is functional should be with "an inquiry into the existence of alternative designs." As for infringement, the Ethicon decision clarified that the Egyptian Goddess case requires a consideration of the prior art only if the patented design and the accused device are not plainly dissimilar. Because the accused device was not similar to the patented design, there is no reason to consider the prior art.

In the area of trademark protection it plays a great role. Trademark is a important sign that identifies certain goods or services produced or provided by a certain person or a company. The system helps consumers to identify and purchase a product or service based on its quality.

Trademark protection ensures that the owners of marks have the exclusive right to use them to identify goods or services, or to authorize others to use them in return for payment. The period of protection varies, but a trademark can be renewed indefinitely upon payment of the corresponding fees. Trademark protection is legally enforced by courts that, in most systems, have the authority to stop trademark infringement. In a larger sense, trademarks promote initiative and enterprise worldwide by rewarding their owners with recognition

and financial profit. Trademark protection also hinders the efforts of unfair competitors, such as counterfeiters, to use similar distinctive signs to market inferior or different products or services. The system enables people with skill and enterprise to produce and market goods and services in the fairest possible conditions, thereby facilitating international trade.

Trademarks may be one or a combination of words, letters and numerals. They may consist of drawings, symbols or three-dimensional signs, such as the shape and packaging of goods. In some countries, non-traditional marks may be registered for distinguishing features such as holograms, motion, color and non-visible signs (sound, smell or taste). In addition to identifying the commercial source of goods or services, several other trademark categories also exist. Collective marks are owned by an association whose members use them to indicate products with a certain level of quality and who agree to adhere to specific requirements set by the association. Such associations might represent, for example, accountants, engineers or architects. Certification marks are given for compliance with defined standards but are not confined to any membership

They may be granted to anyone who can certify that their products meet certain established standards. Some examples of recognized certification are the internationally accepted "ISO 9000" quality standards and Eco labels for products with reduced environmental impact.

⁷ 796 F. 3d 1312 - Court of Appeals, **Federal Circuit**, 2015

Below mentioned is a major landmark case in breaching trademark laws.

yahoo!, inc. v akash arora & anr [1999 (19) ptc 201 (del)]⁸. The first decision on the protection of IP rights on the Internet. In what is known till date as a Landmark judgment in cyber squatting, the Delhi High Court held that a domain name served the same function as a trademark and was therefore entitled to equal protection. As the domain names of the plaintiff ‘Yahoo!’ and defendant ‘Yahoo India!’, were nearly identical and phonetically similar, there was every possibility that internet users would be confused and deceived into believing that the domain names had a common source or a connection. The court further observed that the disclaimer used by the defendants was not sufficient because the nature of the Internet is such that use of a similar domain name cannot be rectified by a disclaimer, and that it did not matter that ‘yahoo’ is a dictionary word. The name had acquired uniqueness and distinctiveness and was associated with the plaintiff. The Bombay High Court, in **Rediff Communication v. Cyber booth & Anr** 2000 PTC 209 also observed that the value and importance of a domain name is like a corporate asset of a company.

Copyright laws grant authors, artists and other creator’s protection for their literary and artistic creations, generally referred to as “works”. A closely associated field is “related rights” or rights related to copyright that encompass rights similar or identical to those of copyright, although sometimes more limited and of shorter duration. The beneficiaries of related rights are: performers (such as actors and musicians) in their performances;

producers of phonograms (for example, compact discs) in their sound recordings; and broadcasting organizations in their radio and television programs. Works covered by copyright include, but are not limited to: novels, poems, plays, reference works, newspapers, advertisements, computer programs, databases, films, musical compositions, choreography, paintings, drawings, photographs, sculpture, architecture, maps and technical drawings.

The creators of works protected by copyright, and their heirs and successors (generally referred to as “right holders”), have certain basic rights under copyright law. They hold the exclusive right to use or authorize others to use the work on agreed terms. The right holder(s) of a work can authorize or prohibit: its reproduction in all forms, including print form and sound recording; its public performance and communication to the public; its broadcasting; its translation into other languages; and its adaptation, such as from a novel to a screenplay for a film. Similar rights of, among others, fixation (recording) and reproduction are granted under related rights. Many types of works protected under the laws of copyright and related rights require mass distribution, communication and financial investment for their successful dissemination (for example, publications, sound recordings and films). Hence, creators often transfer these rights to companies better able to develop and market the works, in return for compensation in the form of payments and/or royalties (compensation based on a percentage of revenues generated by the work). The economic rights relating to

⁸ I.A. No. 10115/1998 and Suit No. 2469/1998

copyright are of limited duration – as provided for in the relevant WIPO treaties – beginning with the creation and fixation of the work, and lasting for not less than 50 years after the creator’s death. National laws may establish longer terms of protection. This term of protection enables both creators and their heirs and successors to benefit financially for a reasonable period of time. Related rights enjoy shorter terms, normally 50 years after the performance; recording or broadcast has taken place. Copyright and the protection of performers also include moral rights, meaning the right to claim authorship of a work, and the right to oppose changes to the work that could harm the creator’s reputation.

Rights provided for under copyright and related rights laws can be enforced by right holders through a variety of methods including civil action suits, administrative remedies and criminal prosecution. Injunctions, orders requiring destruction of infringing items, inspection orders, among others, are used to enforce these rights.

Copyright and related rights protection is obtained automatically without the need for registration or other formalities. However, many countries provide for a national system of optional registration and deposit of works. These systems facilitate, for example, questions involving disputes over ownership or creation, financial transactions, sales, assignments and transfer of rights. Many authors and performers do not have the ability or means to pursue the legal and administrative enforcement of their copyright and related rights, especially given the increasingly global use of literary, music and performance rights. As a result, the establishment and enhancement of collective management organizations (CMOs), or

“societies”, is a growing and necessary trend in many countries. These societies can provide their members with efficient administrative support and legal expertise in, for example, collecting, managing and disbursing royalties gained from the national and international use of a work or performance. Certain rights of producers of sound recordings and broadcasting organizations are sometimes managed collectively as well.

There are different legal systems in worldwide making significant changes in law which they apply. In Sri Lanka Law context it almost protects all rights that declared by WIPO and several other treaties. Intellectual Property Act No.36 of 2003 is the frame work within Sri Lanka which helps to protect, govern and regulate the Intellectual Property Rights and is a member of WIPO. Sri Lanka too ratifies international treaties and agreements such as (PCT) Patent Co-operation Treaty, TRIPS Agreement and Berne convention⁹.

The main body that governs Intellectual Property of Sri Lanka is “The Nation Intellectual Property Office”¹⁰. It was first established on January 1, 1982 with the same mandate under the provisions of Code of intellectual property *Act no 52 of 1979*. Per Intellectual Property act no 36 of 2003 cites in sec 4, the only government body established for administrating Intellectual Property matters including registration and moderation of industrial designs, patents is “*National Intellectual Property Office*” and it is established under ministry of higher education, technology and innovations.

In Sri Lanka trademarks are registered for 10 year periods, which calculate from the

⁹ <https://www.wipo.int/treaties/en/ip/berne/>

¹⁰ <https://www.nipo.gov.lk/>

date of application. Unlike the other intellectual property, Trademarks Registration can be renewed for any number of times (10 Year periods) if the prescribed fee is paid in time, and thereby could remain in force for an indefinite period of time.

Lever brothers- vs- r. m. reenganathan pillai¹¹

Case discusses infringement of trade marks. Held that the marks of wrapper on the soap imported by the defendant were calculated to deceive and amounted to an infringement of plaintiff's trade mark.

M.S hebtulabhoy & co – vs- stassen exports ltd¹²

Violation of trade mark under Intellectual Property law. It said that mislead the public by trying to imitate the product. Held that it committed infringement of appellants rights as a registered owner of the trade mark.

Lipton ltd – vs- stassen exports ltd¹³

India the neighboring country of Sri Lanka too implements a common law system influenced by the British colonial rules. They too being a member of WIPO and have a kind of strict policy in governing IP rights emphasize below significant case laws.

The indian performing society v. vodafone idea ltd

The Calcutta HC directed Vodafone to deposit a whopping amount of Rs. 2.5 crore in a copyright infringement suit filed by IPRS. The decision raised two main issues,

amongst others: (1) The nature of the "right to receive royalty" available to authors of musical and literary works and (2) Against whom this particular right can be exercised and the enforcement mechanism for ensuring the same. The right to receive royalty is not an exclusive right under Section 14 of the Copyright Act and that it is, in effect, a contractual term used between the assignor and assignee of the copyright in underlying works, as mandated by the statute.

Navigators logistics v. kashif qureshi

In this case an employer alleged that a former employee was using their customer list to compete with them. With respect to copyright, the court held that the employer had failed to establish that the list was 'original' under the 'skill and judgment' standard espoused in Eastern Book Company v D.B. Modak. On grounds of confidentiality, the court held against the employer. It concluded that it is not possible to claim confidentiality in every customer list, since most details are available in the public domain. Therefore, the plaintiff must specifically establish the economic or commercial value of their customer list in order to protect it.

sanjay kumar gupta & anr v. sony pictures networks india p ltd.

Delhi High Court rejected the plea of copyright infringement against Sony Entertainment in relation to 'Kaun Banega Crorepati'. The appellants, in this case, had a concept termed "Jeeto Unlimited", where home viewers of a quiz show could participate live in a quiz show and were rewarded for answering correctly. It was

¹¹ 39 NLR 332

¹² (1989)1 Sri L.R. 189-58

¹³ 1989. 1 SLLR, 191

alleged that, on presenting this concept to Sony, they were compelled to sign a consent letter which allowed Sony to use the concept without incurring any liability. The Court applied the 'scenes a faire doctrine' stating that since the idea was to enable home viewers to simultaneously play along with contestants, some similarities were bound to arise, but upon scrutiny, crucial differences were found in concepts of the appellant and respondent. The Court held that there was no breach of confidentiality as the appellants had signed a consent letter authorizing Sony to use the concept.

In comparing to rest of the world Sri Lankan legal system plays a huge role to protect, govern and regulate Intellectual Property rights. Compared to past few decades Sri Lanka too gains a lot more regulations and laws implemented to its legal system. Due to the rapid growth of the world the economy, social aspects have risen to their climax. Due to the rapid growth of new trends invented every day, meaning that laws, regulations must too get updated accordingly. Sri Lankan legal system must update rules that govern Artificial Intelligence. Moreover certain existing rules too weaken its governing possibilities and are outdated. As an example the fine system must update and charges must be more strict to punish who violates the law. Human race gets motivated through their inventions all the time. It helps in development of economical system which sustains a country. The literature aspects (films, music, art) of Intellectual property must govern much tighter in order to secure the original creator or the owner of such work to be motivated in doing their future work.

Reference

Case laws

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Websites

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