

INTELLECTUAL PROPERTY BILL

The Government proposes to introduce shortly a New Intellectual Property Bill. This Bill seeks to bring the Sri Lankan Law in line with the provisions of the TRIPS Agreement. The present Sri Lankan Law is the **Code of Intellectual Property Act No. 52 of 1979**. This Law is based on the WIPO Model Law. The present law is to a great extent in conformity with the TRIPS Agreement, as far as Trademarks are concerned. However, certain amendments were required, particularly in relation to Copyrights and to some extent for Patents and Designs.

We give below some of the more important features of the Bill, which may be of interest to you, which are an improvement on the provisions of the present law.

COPYRIGHT

- Works Protected

The Act provides for protection of **literary, artistic and scientific works** which include:

- (a) books, pamphlets and other writings;
- (b) lectures, addresses, sermons and other works of the same nature;
- (c) dramatic and dramatico-musical works;
- (d) musical works, whether or not they are in written form and whether or not they include accompanying words;
- (e) choreographic works and pantomimes;
- (f) cinematographic, radiophonic and audio-visual works;
- (g) works or drawing, painting, architecture, sculpture, engraving, lithography and tapestry;
- (h) photographic works, including works expressed by processes analogous to photography;
- (i) works of applied art, whether handicraft or produced on an industrial scale;

- (j) illustrations, maps, plans, sketches and those works relative to geography, topography or science
- (k) computer programmes.

In addition to the above the new Bill provides for *Rental Rights & Rights of Performers*.

- Duration

Economic Rights - life time of the author + 70 years

Moral Rights - life time of the author + 50 years

- Fair use - expanded.

Taking a single copy for ones own use (private study) is to be allowed.

- Performance Rights Society

- In order to protect the rights of local performers, provisions have also been made for the establishment of a Performance Rights Society.
- Power has been given to the Director of Intellectual Property to make an appropriate interim order in the event of a complaint being made in connection with an infringement of copyright. Such interim order would be binding on the persons to whom it relates until set aside by a competent Court.

- Sound Recordings

- There is also provision for equitable remuneration to be made for sound recordings. The producer of a sound recording has the exclusive right to reproduce such recording or import copies and to rent, sell or offer such copies to the public.
- Provision has also been made in relation to broadcasting organizations, which have the exclusive right to re-broadcast and for fixation of its broadcast and reproduction thereof.
- In the event of an infringement of a copyright, the Court has the power to grant an injunction, to order the impounding of copies and the payment of damages which should take into account the importance of the

material, the moral prejudice suffered by the owner and the infringer's profits.

- The Court has also power to order the destruction of the infringing copies.
- The law also makes it an offence for the manufacture or importation of devices to reproduce works or impair their quality unlawfully.
- The provision is also made for the protection of *folklore* and for the prescribed officer to grant licenses for the reproduction thereof.

INDUSTRIAL DESIGN

- The new Bill calls for more detailed examination of Design Applications; where the Director considers that an Industrial Design is not registerable, he should give his grounds of refusal and any dissatisfied person could make representations to the Director within a period of one month and the Director could thereafter fix the matter for hearing. If even after hearing the Application is refused, the Applicant could ask for reasons for such refusal and would thereafter appeal to the Court.
- There is also provision for opposition proceedings of Designs and where a person considers that an Industrial Design is not registerable, he may within two months from the date of publication file a Notice of Opposition with the prescribed fee and thereafter the matter will be fixed for hearing.

PATENTS

- A Patent would be valid for a period of twenty years from the date of application.
- Where an (international type) search report has not been tendered by the applicant, the Director could refer the application to a local examiner and shall prior to the grant of the Patent, publish a notice informing the public that such a Patent shall be granted at the expiration of three months from the date of publication. The Director shall grant the Patent referred to in such notice upon the expiration of three months from the date of publication unless he is restrained from doing so by an Order of Court.

- In a Patent infringement action the burden of proof in establishing that an alleged infringement is not obtained by the patented process is on the infringer.

TRADEMARKS

- With regard to Trademarks, provision has been made for both *Certification Marks* and *Collective Marks*.
- Special provisions have also been introduced with regard to *geographical indications*.
- Provision has also been made in respect of *well-known marks*. A mark shall not be registered if it is identical to or sufficiently similar to constitute a translation or transliteration, or for identical or similar goods or services of a third party or if it is well known or registered in Sri Lanka for goods or services which are not identical or similar to those in respect of which registration is applied for. Criteria to be taken into account, when determining what constitutes a well-known mark has also been provided in the law.

UNFAIR COMPETITION & UNDISCLOSED INFORMATION

A detailed Chapter on Unfair Competition and Undisclosed Information sets out provisions made in relation to what acts are considered to be acts of Unfair Competition.

- **UNFAIR COMPETITION**

Any act or practice in the course of industrial or commercial activity, which is contrary to honest practice shall constitute Unfair Competition and these provisions shall apply independently and in addition to the other provisions of the Act. In particular, the following constitute Unfair Competition:

1. Confusion;
2. Damaging another's goodwill;
3. Any act or practice which misleads or is likely to mislead the public in respect of another enterprise or its activities;
4. Any false or unjustifiable allegation in the course of industrial or commercial activity which discredits or is likely to discredit another's enterprise;

5. Any act or practice in the course of industrial or commercial activity 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; and
6. Any act or practice in the course of industrial or commercial activity will be considered Unfair Competition if it consists or results in unfair commercial use of secret tests or other data, the collection of which involves considerable effort and which has been submitted to a competent authority for the purpose of obtaining approval in the marketing of pharmaceutical, agricultural or chemical products which utilize new chemical entities or disclosing of such data, except where necessary to protect the public.
7. The sections also cover acts, which could potentially cause confusion, damaging or diluting one's goodwill, misleading advertisements or promotions, advertisements or promotions, which discredit competitors and disclosure of undisclosed information.

- **UNDISCLOSED INFORMATION IS PROVIDED IN SECTION 160(6)(c) & (e)**

1. Any act or practice in the course of industrial or commercial activity, 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") in a manner contrary to honest commercial practice shall constitute an act of unfair competition.
2. 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 paragraph (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 paragraph (i) to (iv) was involved in the acquisition.
3. 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.
4. 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.
5. Provisions have been made regarding the recognition of registered agents.

TRADE DESCRIPTION

In the case of the sale of any goods to which a trade description applies, the vendor shall be deemed to warrant that the mark is genuine, not forged or falsely applied and that the trade description is not false.

GEOGRAPHICAL INDICATION

Any interested person shall be entitled to prevent the use of any means which designate, indicate or suggest that the goods in question (including agricultural product, food, wine, or spirit) originate in a

geographical area other than the true place of origin, in a manner which misleads the public as to the geographical origin of the goods or which constitutes unfair competition.

OFFENCES

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 or was obliged to act in any such capacity, 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 committed without his consent or connivance and that he exercised all due diligence to prevent the commission of the offence having regard to the nature of his functions in that capacity and to all the circumstances.

GENERAL

Appeals from any Order of the Director should be made to a Court within a period of *six months*. The appropriate Court would be the High Court of a province empowered with civil jurisdiction and where no such High Court is established, the High Court of the Western Province. In civil proceedings the Court is entitled to grant both damages and an injunction and the fact that damages could be awarded shall not be a bar to the issue of an injunction. The Court shall have the power to order the infringer to pay damages as are adequate to compensate for the loss suffered by reason of any infringement in addition to the recovery of any profits and that infringing goods to be distributed outside the channels of commerce to be destroyed without the payment of compensation. The Court may also take into account the seriousness of the infringement and order the infringer to inform the rights-holder of the identity of the persons involved in the production and distribution of the infringing goods and the channels of distribution.

- In criminal proceedings punishment has been increased to a fine of Rs. 500,000/- and imprisonment not exceeding two years.
- Provision has also been made in regard to a Customs watch whereby the rights-holder who has valid grounds to believe that importation of counterfeit marks or pirated copies contravene his rights may make an application to the Director General of Customs for the suspension of the released goods. The rights holder should provide the Director General of Customs with prima facie proof of infringement and a sufficiently detailed description of the goods. The Director General could require the applicant to provide security sufficient to protect the

defendant and to prevent abuse. When the Director General suspends the release of any goods, he shall cause the importer to be promptly notified and unless within a period of ten days after the applicant has been informed of the suspension, the Director General is not informed that the proceedings instituted in a Court lead to a decision on the merits of the goods , the Director General may order the release of the goods.

J.M. SWAMINATHAN

LLB (Cey), LLM M Phil (Col)

Attorney-at-Law,

Partner, M/S Julius & Creasy

Lecturer Diploma in International Law Course - Sri Lanka Law College

Member Intellectual Property Advisory Commission