

# IP Adjudication in Sri Lanka



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Intellectual Property Benchbook Series

# Intellectual Property Adjudication in Sri Lanka

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# Contents

<b>Foreword by WIPO</b>	<b>12</b>
<b>Foreword by the European Union and UNDP</b>	<b>13</b>
<b>Foreword by the Chief Justice of the Supreme Court of Sri Lanka</b>	<b>14</b>
<b>Acknowledgements</b>	<b>15</b>
<b>Abbreviations and acronyms</b>	<b>16</b>
<b>Chapter 1 Procedure</b>	<b>18</b>
<b>Part I Preliminary matters</b>	<b>18</b>
<b>1.1 Introduction</b>	<b>18</b>
<b>1.2 Overview of the legal system in Sri Lanka</b>	<b>18</b>
1.2.1 Court hierarchy	18
1.2.2 Jurisdiction in intellectual property proceedings	19
1.2.2.1 Civil jurisdiction	19
1.2.2.2 Criminal jurisdiction	21
1.2.2.3 Administrative jurisdiction	22
<b>1.3 Sources of law</b>	<b>23</b>
1.3.1 Constitution	23
1.3.2 Statutes	23
1.3.3 Regulations	24
1.3.4 Judicial decisions	24
1.3.4.1 Decisions of Sri Lankan courts	24
1.3.4.2 Foreign judgments	26
1.3.5 International treaties	26
<b>1.4 Scope of intellectual property protection in Sri Lanka</b>	<b>27</b>
<b>Part II Challenges to the validity of intellectual property rights</b>	<b>28</b>
<b>1.5 Administrative review proceedings</b>	<b>28</b>
1.5.1 Opposition proceedings	28
1.5.2 Revocation or cancellation proceedings	28
1.5.2.1 Trademarks	28
1.5.2.2 Industrial designs	28
1.5.2.3 Geographical indications	28
1.5.3 Appeals	28
<b>1.6 Court actions challenging the registration or grant of intellectual property rights</b>	<b>29</b>
1.6.1 Pre-grant opposition to a patent application	29
1.6.2 Action for revocation or nullification of an intellectual property right	29
1.6.2.1 Nullification of a patent	30

1.6.2.2	Nullification of registration of a trademark	30
1.6.2.3	Nullification of registration of an industrial design	30
1.6.2.4	Cancellation of registration of a layout design of an integrated circuit	30
<b>1.7</b>	<b>Relationship between administrative and judicial proceedings</b>	<b>30</b>
<b>Part III Actions arising from infringement</b>		<b>32</b>
<b>1.8</b>	<b>Administrative action for infringement of copyright and related rights</b>	<b>32</b>
1.8.1	Procedure	32
1.8.2	Appeals	33
1.8.3	Remedies	33
1.8.4	Interaction with related judicial proceedings	33
<b>1.9</b>	<b>Civil judicial infringement proceedings</b>	<b>34</b>
1.9.1	Statutory basis	34
1.9.1.1	General basis for infringement of any intellectual property right	35
1.9.1.2	Additional basis for infringement of copyright and related rights	35
1.9.1.3	Action for declaration of noninfringement	35
1.9.2	Standing	36
1.9.3	Procedure	36
1.9.4	Pleadings	37
1.9.5	Necessary parties	38
1.9.6	Discovery and gathering of information	38
1.9.6.1	Discovery of electronic evidence (e-discovery)	39
1.9.7	Provisional measures and interim relief	40
1.9.7.1	Interim order to identify persons involved in the production and distribution of infringing goods or services	40
1.9.7.2	Interim measures to protect evidence	40
1.9.7.3	Interim injunctions	41
1.9.7.4	Interlocutory appeal	47
1.9.8	Pretrial conference	47
1.9.9	Default of parties	48
1.9.10	Trial	48
1.9.10.1	Evidence	49
1.9.11	Judgment and appeal	51
1.9.12	Interaction with related criminal proceedings	52
<b>1.10</b>	<b>Criminal infringement proceedings</b>	<b>52</b>
1.10.1	Statute of limitations	52
1.10.2	Pleadings	52
1.10.3	Standing	53
1.10.4	Summons	53
1.10.5	Arrest warrant	54
1.10.6	Search and seizure	55
1.10.7	Arraignment and bail	56
1.10.8	Pretrial process	56
1.10.9	Trial	56
1.10.9.1	Evidence	56
1.10.10	Judgment and appeal	57
<b>1.11</b>	<b>Remedies</b>	<b>58</b>
1.11.1	Civil remedies	58
1.11.1.1	Injunctions	58
1.11.1.2	Damages	60
1.11.1.3	Account of profits	64
1.11.1.4	Costs	64
1.11.1.5	Other remedies	65
1.11.2	Criminal remedies	66
1.11.2.1	Forfeiture and disposal of forfeited goods	66
1.11.2.2	Costs	67

<b>Chapter 2 Trademarks</b>	<b>68</b>
<b>Part I Preliminary matters</b>	<b>68</b>
<b>2.1 Introduction</b>	<b>68</b>
<b>2.2 What is a trademark in Sri Lanka?</b>	<b>68</b>
<b>2.3 Sources of law</b>	<b>69</b>
2.3.1 Statutes	69
2.3.2 Regulations	70
2.3.3 Judicial decisions	70
2.3.4 International treaties	70
<b>2.4 Requirements for a valid trademark</b>	<b>71</b>
2.4.1 Subject matter of protection	71
2.4.1.1 Visibility	71
2.4.1.2 Distinctiveness	73
<b>2.5 Obtaining trademark protection</b>	<b>74</b>
2.5.1 Ownership	74
2.5.2 Eligible applicants	75
2.5.3 Registration process	75
2.5.4 Grounds for refusing registration	76
2.5.4.1 Objective (absolute) grounds	76
2.5.4.2 Prior third-party rights (relative grounds)	89
2.5.5 Opposition	102
2.5.6 Appeals	103
<b>2.6 Rights conferred</b>	<b>103</b>
2.6.1 Registered marks	103
2.6.1.1 Exclusive rights	103
2.6.1.2 Licensing	103
2.6.1.3 Assignment	106
2.6.2 Well-known marks	107
2.6.3 Unregistered marks	109
2.6.4 Territoriality of rights	109
2.6.5 Exceptions and limitations	109
2.6.5.1 Use of the mark for identification or information	109
2.6.5.2 Use of the mark for lawful goods	109
2.6.5.3 Exhaustion and parallel imports	109
2.6.5.4 Honest concurrent user	110
2.6.6 Duration of rights	112
<b>2.7 Interactions with other intellectual property rights and common law causes of action</b>	<b>112</b>
2.7.1 Geographical indications	112
2.7.2 Unfair competition	113
2.7.3 Passing off	116
<b>Part II Challenges to the validity of a trademark</b>	<b>118</b>
<b>2.8 Removal or nullity</b>	<b>118</b>
2.8.1 Removal	118
2.8.1.1 Jurisdiction and standing	118
2.8.1.2 Parties	118
2.8.1.3 Grounds	118
2.8.1.4 Decision	119
2.8.1.5 Appeal	119
2.8.2 Nullity	119
2.8.2.1 Jurisdiction and standing	119
2.8.2.2 Parties	119
2.8.2.3 Grounds	119
2.8.2.4 Statute of limitations	120

2.8.2.5	Declaration of nullity	120
2.8.2.6	Appeal	120
2.8.2.7	Defenses	120
<b>Part III</b>	<b>Actions arising from infringement</b>	<b>121</b>
<b>2.9</b>	<b>Trademark-specific considerations in civil judicial infringement proceedings</b>	<b>121</b>
2.9.1	Acts of infringement	121
2.9.1.1	Counterfeiting	122
2.9.1.2	Cybersquatting	123
2.9.1.3	Unlawful use of trade names	124
2.9.2	Establishing infringement	125
2.9.2.1	Ownership of a valid mark	125
2.9.2.2	Defendant's use of a mark	125
2.9.3	Defenses	126
2.9.4	Select case law	126
2.9.4.1	Likelihood of confusion	126
2.9.4.2	Well-known marks	127
2.9.4.3	Trade names	127
<b>2.10</b>	<b>Trademark-specific considerations in criminal infringement proceedings</b>	<b>129</b>
2.10.1	Criminal offenses	129
2.10.1.1	Infringement	129
2.10.1.2	Other trademark offenses	130
2.10.2	Defenses	134
<b>Chapter 3</b>	<b>Patents</b>	<b>136</b>
<b>Part I</b>	<b>Preliminary matters</b>	<b>136</b>
<b>3.1</b>	<b>Introduction</b>	<b>136</b>
<b>3.2</b>	<b>What is a patent in Sri Lanka?</b>	<b>136</b>
<b>3.3</b>	<b>Sources of law</b>	<b>137</b>
3.3.1	Statutes	137
3.3.2	Regulations	138
3.3.3	Judicial decisions	138
3.3.4	International treaties	138
<b>3.4</b>	<b>Requirements for a valid patent</b>	<b>139</b>
3.4.1	Patentable subject matter	139
3.4.1.1	Eligible subject matter	139
3.4.1.2	Exclusions from patentable subject matter	139
3.4.2	Patentability requirements	145
3.4.2.1	Novelty	145
3.4.2.2	Inventive step (nonobviousness)	150
3.4.2.3	Novelty and inventive step compared	155
3.4.2.4	Industrial applicability	157
3.4.3	Formality requirements	158
3.4.3.1	Disclosure requirement	159
<b>3.5</b>	<b>Obtaining patent protection</b>	<b>161</b>
3.5.1	Eligible applicants	161
3.5.2	Procedural requirements	162
3.5.3	Applications under the Patent Cooperation Treaty	162
3.5.4	Duties of the Director-General	163
3.5.5	Grant of patent and refusal to grant	163
3.5.6	Opposition	164
3.5.7	Appeals	164
<b>3.6</b>	<b>Rights conferred</b>	<b>165</b>
3.6.1	Ownership	165

3.6.2	Exclusive rights	165
3.6.3	Limitations and exceptions	166
3.6.3.1	Scientific research	166
3.6.3.2	Use on foreign vessels, aircraft, land vehicles temporarily in Sri Lanka	166
3.6.3.3	Prior manufacture or use exception	166
3.6.3.4	Exhaustion and parallel imports	167
3.6.3.5	Compulsory and government use licenses	168
3.6.4	Assignment	170
3.6.5	Licensing	171
3.6.5.1	Types of license	172
3.6.5.2	Rights of licensee and licensor	172
3.6.5.3	Invalid clauses in license contracts	172
3.6.6	Duration of rights	173
<b>Part II Challenges to the validity or ownership of a patent</b>		<b>174</b>
<b>3.7</b>	<b>Administrative review of a patent</b>	<b>174</b>
<b>3.8</b>	<b>Judicial review of a patent</b>	<b>174</b>
3.8.1	Action objecting to the grant of a patent	174
3.8.2	Application for assignment of the application or patent	174
3.8.3	Nullification or invalidation action	174
3.8.3.1	Procedural requirements	175
3.8.3.2	Declaration of nullity	175
3.8.3.3	Date and effect of nullity	175
3.8.3.4	Consolidation of action of nullity and infringement action	175
<b>3.9</b>	<b>Recourse available to a third party with rights to a patent unlawfully obtained by another</b>	<b>176</b>
3.9.1	Application to the Court to have the patent or patent application assigned	176
3.9.2	Declaratory judgment for the nullity of patent	176
3.9.3	Action for damages and injunctive relief	176
3.9.4	Unfair competition action	176
3.9.5	Licensing or assignment	176
<b>Part III Actions arising from infringement</b>		<b>177</b>
<b>3.10</b>	<b>Patent-specific considerations in civil judicial infringement proceedings</b>	<b>177</b>
3.10.1	Statutory basis	177
3.10.2	Elements of an infringement claim	177
3.10.2.1	Validity	177
3.10.2.2	Infringing act	178
3.10.3	Defenses	183
3.10.4	Standing	184
3.10.5	Expert evidence	184
<b>3.11</b>	<b>Patent-specific considerations in criminal infringement proceedings</b>	<b>185</b>
3.11.1	Criminal offenses	185
3.11.1.1	Infringement of the rights of the registered owner, assignee or licensee	185
3.11.1.2	False representations regarding patents	186
3.11.1.3	Unlawful disclosure of information relating to patents	187
3.11.1.4	Abetting the commission of offenses abroad	188
3.11.2	Defenses	188
<b>Chapter 4 Copyright</b>		<b>189</b>
<b>Part I Preliminary matters</b>		<b>189</b>
<b>4.1</b>	<b>Introduction</b>	<b>189</b>
<b>4.2</b>	<b>What is copyright in Sri Lanka?</b>	<b>189</b>
<b>4.3</b>	<b>Sources of law</b>	<b>190</b>

4.3.1	Statutes	190
4.3.2	Regulations	191
4.3.3	Judicial decisions	191
4.3.4	International treaties	191
<b>4.4</b>	<b>Requirements for copyright protection</b>	<b>192</b>
4.4.1	Works eligible for protection	192
4.4.1.1	Literary, artistic and scientific works	192
4.4.1.2	Derivative works	193
4.4.1.3	Exclusions from protection	193
4.4.2	Conditions for protection	194
4.4.2.1	Protected work	194
4.4.2.2	Human authorship	194
4.4.2.3	Originality, expression, intellectual creation and minimal degree of creativity in copyright protection	195
4.4.2.4	Originality, etc. in derivative works	197
<b>4.5</b>	<b>Obtaining copyright protection</b>	<b>199</b>
4.5.1	Registration	199
4.5.2	Fixation	199
4.5.3	Publication	199
<b>4.6</b>	<b>Rights conferred</b>	<b>200</b>
4.6.1	Authorship and ownership	200
4.6.1.1	Authorship	200
4.6.1.2	Ownership	200
4.6.2	Economic and moral rights	200
4.6.2.1	Economic rights	201
4.6.2.2	Moral rights	205
4.6.3	Limitations and exceptions	205
4.6.3.1	Fair use	206
4.6.3.2	Exhaustion and parallel imports	208
4.6.3.3	Compulsory or government use licenses	209
4.6.4	Assignment or transfer	209
4.6.4.1	Assignment of economic rights	209
4.6.4.2	Transfer of moral rights	210
4.6.5	Licensing	210
4.6.6	Duration of rights	211
<b>4.7</b>	<b>Protection of related rights</b>	<b>211</b>
4.7.1	Rights conferred	212
4.7.1.1	Rights of performers	212
4.7.1.2	Rights of producers of sound recordings	213
4.7.1.3	Rights of broadcasting organizations	214
4.7.1.4	Equitable remuneration for use of sound recordings	214
4.7.2	Limitations and exceptions	214
<b>4.8</b>	<b>Protection of expressions of folklore</b>	<b>215</b>
4.8.1	Works eligible for protection	215
4.8.2	Ownership	215
4.8.3	Rights conferred	216
4.8.4	Limitations and exceptions	216
4.8.5	Duration of rights	216
<b>4.9</b>	<b>Collective management of copyright and related rights</b>	<b>216</b>
<b>Part II Challenges to the validity of copyright</b>		<b>218</b>
<b>Part III Actions arising from infringement</b>		<b>219</b>
<b>4.10</b>	<b>Copyright-specific considerations in administrative proceedings</b>	<b>219</b>
4.10.1	Standing	219
4.10.2	Scope of inquiry	219

4.10.3	Procedure	219
4.10.4	Remedies	220
4.10.5	Appeal	220
<b>4.11</b>	<b>Copyright-specific considerations in civil judicial infringement proceedings</b>	<b>221</b>
4.11.1	Statutory basis	221
4.11.2	Standing	222
4.11.3	Elements of an infringement claim	222
4.11.3.1	Copyright	222
4.11.3.2	Related rights	230
4.11.3.3	Expressions of folklore	232
4.11.4	Defenses	233
4.11.5	Twin cause of civil action: unfair competition	233
<b>4.12</b>	<b>Copyright-specific considerations in criminal infringement proceedings</b>	<b>233</b>
4.12.1	Criminal offenses	233
4.12.1.1	Willful infringement	234
4.12.1.2	Attempted infringement	234
4.12.1.3	Trade in infringing copies	235
4.12.1.4	Willful use of an infringing computer program for commercial gain	235
4.12.1.5	Abetting the commission of offenses abroad	236
4.12.2	Defenses	236
	<b>Chapter 5 Other intellectual property rights</b>	<b>237</b>
<b>5.1</b>	<b>Introduction</b>	<b>237</b>
<b>5.2</b>	<b>Geographical indications</b>	<b>237</b>
<b>5.3</b>	<b>Industrial designs</b>	<b>239</b>
<b>5.4</b>	<b>Undisclosed information</b>	<b>241</b>
<b>5.5</b>	<b>Layout designs of integrated circuits</b>	<b>242</b>

# Foreword by WIPO

The World Intellectual Property Organization (WIPO) is pleased to present *Intellectual Property Adjudication in Sri Lanka*, a new volume in the Intellectual Property Benchbook Series. As with other titles in the series, this *Benchbook* provides a practical, accessible and authoritative reference for the adjudication of intellectual property (IP) disputes, and it furthers WIPO's vision for fair and effective justice systems that allow the IP and innovation ecosystems in each member state to fully realize their purpose.

*Intellectual Property Adjudication in Sri Lanka* is a product of the WIPO Judicial Institute's ongoing efforts to enable Sri Lanka and other developing economies to harness the IP system to create economic and social benefits that uplift communities worldwide.

More concretely, patent protection helps small and medium-sized enterprises (SMEs) to attract investment and bring their innovations to market, such as the Sri Lanka-born "Smart Drain". Geographical indications (GIs), such as "Ceylon cinnamon", secure the value of unique local products, while trademarks, copyright and expressions of folklore further the protection of brands, creative industries and cultural traditions, in turn supporting Sri Lanka's tourism sector.

The judiciary plays a critical role in ensuring that Sri Lanka's IP system, as defined by domestic law, achieves these and other goals. Effective enforcement and coherent interpretation are vital to enabling the principles enshrined in legislation to be meaningfully realized in practice.

*Intellectual Property Adjudication in Sri Lanka* was developed at the request of the Sri Lankan Government, in collaboration with the Support to Justice Sector Project (JURE), funded by the European Union, in partnership with the Ministry of Justice, and implemented by the United Nations Development Programme (UNDP) and UNICEF Sri Lanka. Drafted by retired Court of Appeal Justice and former Director of the Sri Lanka Judges' Institute, the Honorable Ruwan Fernando, it combines practical local insight and experience with WIPO's global perspective and expert knowledge of the international legal framework on IP. Links to referenced treaties, laws, regulations and select jurisprudence, available online through the WIPO Lex database, have been embedded in the online text to promote understanding of the legal framework and the concepts discussed.

Like other titles in the Benchbook series, this volume is primarily intended to serve as an immediate resource available in court and chambers, for use by judges and other judicial officers in the course of adjudication. It is also a useful reference for anyone interested in developing a comparative perspective on IP adjudication across jurisdictions.

Each new title in the Benchbook series reinforces WIPO's commitment to offering tailored, dedicated support to member state judiciaries in furtherance of sustainable continuing judicial education programs on IP. It is our hope that the value of the Benchbook series as a resource for national and regional judiciaries will continue to grow, both within and outside of Sri Lanka.

**Marco M. Alemán**  
Assistant Director General  
IP and Innovation Ecosystems Sector  
WIPO

# Foreword by the European Union and UNDP

It gives us great pleasure to present to the Sri Lankan judiciary this Benchbook on *Intellectual Property Adjudication in Sri Lanka* – a timely and valuable resource to strengthen the administration of justice and to advance Sri Lanka’s transition toward a digital, knowledge-based economy. In today’s digital and globally connected economy, effective IP protection is a driver of investment, competitiveness, and sustainable development.

For Sri Lanka, this link between intellectual property and growth has particular significance in the context of post-crisis recovery. Following the severe economic downturn of 2022–2023, the country’s efforts to restore confidence, attract investment, and stimulate innovation-led growth will depend on transparent and predictable institutions. A strong IP regime – grounded in the rule of law – is one of the foundations of that recovery. It reassures investors, rewards creativity, and encourages entrepreneurship, enabling Sri Lanka to diversify its economy and participate more actively in global value chains.

This Benchbook provides a comprehensive and practical reference to support consistent, informed, and efficient adjudication in IP-related cases. By drawing on both international best practices and the Sri Lankan legal context, it advances the rule of law, enhances judicial efficiency, and supports the modernization of commercial justice, an area that is increasingly vital for Sri Lanka’s economic competitiveness. We trust that this Benchbook will prove beneficial not only to the judiciary but also to the wider legal community, including lawyers, academics, and law students.

This publication has been made possible through the European Union (EU) under the Support to Justice Sector Project (JURE) jointly implemented by UNDP and UNICEF Sri Lanka in partnership with the Ministry of Justice. Over the past year, the JURE project has been working closely with the World Intellectual Property Organization (WIPO), and the Sri Lanka Judges’ Institute (SLJI), as the key national partner, to make this initiative a success.

On behalf of the European Union and UNDP, we extend our deep appreciation to Justice Ruwan Fernando, Judge of the Court of Appeal (Rtd.), for authoring this volume, as well as the experts and judicial officers whose dedication and contributions were instrumental in developing this Benchbook.

We trust that this Benchbook will serve not only as a practical tool for judges, but also as a contribution to Sri Lanka’s broader journey toward a fair, efficient, and future-ready justice system – one that protects innovation, inspires confidence, and supports sustainable economic transformation.

**Carmen Moreno**  
Ambassador to Sri Lanka and the Maldives  
European Union

**Azusa Kubota**  
Resident Representative  
UNDP in Sri Lanka

# Foreword by the Chief Justice of the Supreme Court of Sri Lanka

It is with great pleasure that I write this Foreword at a time when the World Intellectual Property Organization (WIPO), United Nations Development Programme (UNDP), and the Sri Lanka Judges' Institute (SLJI) celebrate the publication of *Intellectual Property Adjudication in Sri Lanka*, a Benchbook that makes a significant contribution to intellectual property adjudication in Sri Lanka.

IP has emerged as one of the most dynamic areas of law, constantly reshaped by technological and commercial advancements in the digital age. These developments have not only transformed the value of IP across multiple interconnected domains but have also generated novel disputes in enforcing rights across both digital and national boundaries.

The judiciary plays a crucial role in adjudicating both national and digital IP disputes. National IP disputes are governed by well-established rules, with parties, infringing acts, and remedies largely confined to the national borders. By contrast, digital IP infringements often arise from digital piracy, online platforms, social media, user-generated content, and AI-generated works. National approaches to IP adjudication have struggled to keep pace with these novel challenges, requiring courts to interpret and apply existing IP legislation to adapt to evolving circumstances posed by the digital environment.

Against this backdrop, *Intellectual Property Adjudication in Sri Lanka* serves as a practical guide for High Court Judges and Magistrates, particularly in adjudicating IP cases before them. It also reinforces the Sri Lankan judiciary's commitment to implementing and enforcing domestic intellectual property law and reflects the considerable resources invested in this project. A significant aspect of this Benchbook is that it will allow a wide range of IP judgments to be added to the WIPO Lex database for ready global online access, with the SLJI acting as the National Authority.

I gratefully acknowledge the valuable contribution of the WIPO to the IP Benchbook under the leadership of the WIPO Judicial Institute, whose tailored support and expert input greatly enriched the development of this publication. I also extend my appreciation for their commitment and collaboration, which played an integral role in bringing the Benchbook to fruition.

Finally, I extend my deepest appreciation to the UNDP for supporting this project under the Support to Justice Sector (JURE) Project, funded by the European Union, and to the author, Director, Deputy Director, and Academic Coordinator of the SLJI for ensuring the successful completion of the Benchbook.

**P. Padman Surasena**  
Chief Justice of the Supreme Court of Sri Lanka

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Director

WIPO Judicial Institute

# Abbreviations and acronyms

<b>AI</b>	artificial intelligence
<b>Berne Convention</b>	Berne Convention for the Protection of Literary and Artistic Works (WIPO)
<b>Biotech Directive</b>	Directive 98/44/EC of the European Parliament and of the Council of July 6, 1998 on the legal protection of biotechnological inventions, OJ L 213/13
<b>BLR</b>	<i>Bar Association Law Reports</i> (Sri Lanka)
<b>Cabral's IPLR</b>	<i>Cabral's Intellectual Property Law Reports</i> (Sri Lanka)
<b>CBD</b>	Convention on Biological Diversity
<b>ccTLD</b>	country code top-level domain
<b>CMO</b>	collective management organization
<b>ECJ</b>	European Court of Justice (CJEU)
<b>EPC</b>	Convention on the Grant of European Patents of October 5, 1973 (European Patent Convention)
<b>EPC Regulations</b>	Implementing Regulations to the Convention on the Grant of European Patents of October 5, 1973, as amended
<b>EPO</b>	European Patent Office
<b>EU</b>	European Union
<b>GI</b>	geographical indication
<b>gTLD</b>	generic top-level domain
<b>ICANN</b>	Internet Corporation for Assigned Names and Numbers
<b>IP</b>	intellectual property
<b>IP Act</b>	Intellectual Property Act, No. 36 of 2003 (Sri Lanka)
<b>IVR</b>	interactive voice response
<b>JURE</b>	Support to Justice Sector Project
<b>LKR</b>	Sri Lankan rupees

<b>Marrakesh VIP Treaty</b>	Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (WIPO)
<b>NIPO</b>	National Intellectual Property Office (Sri Lanka)
<b>OHIM</b>	Office of Harmonization in the Internal Market (EU)
<b>Paris Convention</b>	Paris Convention for the Protection of Industrial Property (WIPO)
<b>PCT</b>	Patent Cooperation Treaty (WIPO)
<b>PHOSITA</b>	person having ordinary skill in the art
<b>PIN</b>	personal identification number
<b>SMEs</b>	small and medium-sized enterprises
<b>TLT</b>	Trademark Law Treaty (WIPO)
<b>TRIPS Agreement</b>	Agreement on Trade-Related Aspects of Intellectual Property Rights (WTO)
<b>UDRP</b>	Uniform Domain Name Dispute Resolution Policy
<b>U.K.</b>	United Kingdom
<b>UNDP</b>	United Nations Development Programme
<b>UPOV Convention</b>	International Convention for the Protection of New Varieties of Plants
<b>U.S.</b>	United States of America
<b>WIPO</b>	World Intellectual Property Organization
<b>WTO</b>	World Trade Organization

# Chapter 1 Procedure

## Part I Preliminary matters

### 1.1 Introduction

This chapter begins with a brief introduction to the legal system (civil, criminal and administrative) and court system (hierarchy) in Sri Lanka. It then addresses the procedural rules that are common to civil and criminal proceedings for infringement of intellectual property (IP) rights actions when conducted in the relevant courts – namely, the Commercial High Court and the Magistrates’ Courts. Administrative proceedings conducted in the National Intellectual Property Office (NIPO) of Sri Lanka may precede court litigation and are also discussed for context.

Subsequent chapters in this volume are dedicated to providing additional details on the adjudication of trademark, patent and copyright disputes – the IP rights that are most frequently raised before Sri Lanka’s courts. The final chapter provides a brief introduction to the other types of IP right that are recognized in Sri Lanka. Unfair competition is referenced throughout this volume, since such claims may also be raised when IP rights are misused or infringed, or when unregistered rights are involved.

Select legislation and case law to which reference is made in this chapter is available on the WIPO Lex database.<sup>1</sup>

### 1.2 Overview of the legal system in Sri Lanka

#### 1.2.1 Court hierarchy

The court system in Sri Lanka comprises the Supreme Court, the Court of Appeal, the High Court of the Republic of Sri Lanka, the High Court of the Provinces established by article 154P of the Constitution (known as the Provincial High Courts), the District Courts, the Family Courts, the Small Claims Courts, the Magistrates’ Courts and the Primary Courts (see [Table 1.1](#)).

**Table 1.1** Court structure in Sri Lanka

Court	Jurisdiction
Supreme Court	Apex court, appellate jurisdiction
Court of Appeal	Apex court, appellate and revisionary jurisdiction
High Court of the Republic of Sri Lanka	Original jurisdiction, certain criminal offenses
Provincial High Courts	Original, appellate and revisionary jurisdiction
District Courts	Original jurisdiction
Family Courts	Original jurisdiction
Small Claims Courts	Original jurisdiction
Magistrates’ Courts	Original jurisdiction
Primary Courts	Original jurisdiction

- The **Supreme Court of Sri Lanka** is the highest and final appellate court of Sri Lanka.
- The **Court of Appeal** has, *inter alia*, appellate and revisionary jurisdiction and powers relating to *restitutio in integrum*. It also has the powers to issue writs and injunctions, to try petitioners in respect of the parliamentary elections, and to call for, inspect and examine any record of any court of first instance.

Under the provisions of the Constitution, the Court of Appeal has jurisdiction to issue writs in respect of decisions the Director-General of Intellectual Property has made under the provisions of the Intellectual Property Act, No. 36 of 2003 (the IP Act).<sup>2</sup> An appeal from such decisions may lie to the Supreme Court, with leave of that Court.

- Established under the Constitution, the **High Court of the Republic of Sri Lanka** has the power and authority to hear, try and determine all prosecutions on indictment in respect of offenses set out in the Judicature Act, No. 2 of 1978. It has criminal, admiralty and arbitration jurisdiction.
- Established under article 154P of the Constitution, each of the **Provincial High Courts** can exercise the original criminal jurisdiction of the High Court of the Republic of Sri Lanka in respect of offenses committed within the relevant province. They have appellate and revisionary jurisdiction over convictions, sentences and orders entered or imposed by Magistrates' Courts and Primary Courts within that province, as well as such powers as Parliament may, by law, provide. They also have jurisdiction to issue writs in respect to any provincial matter set out in the Provincial Council List.

Provincial High Courts have civil appellate and revisionary jurisdiction in respect of judgments, decrees and orders delivered and made by any District Court, Family Court or Small Claims Court within the relevant province, as well as appellate jurisdiction for the correction of all errors in fact or in law committed by any such court.

Provincial High Courts are also empowered with civil jurisdiction by the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996 (1996 High Court of the Provinces (Special Provisions) Act) to hear and determine all commercial actions. The Provincial High Court for the Western Province, when exercising civil jurisdiction, is commonly known as the **Commercial High Court**.

Provincial High Courts also consider actions under the Companies Act, No. 7 of 2007, and the IP Act, as set out in the First Schedule to the 1996 High Court of the Provinces (Special Provisions) Act, as amended.

- **District Courts, Family Courts** and **Small Claims Courts** have jurisdiction to hear and determine civil cases in accordance with the provisions of the Judicature Act, as amended, or as provided by law enacted by Parliament.
- **Magistrates' Courts** are vested with original criminal jurisdiction (other than in respect of offenses upon indictment in the High Court) in accordance with the provisions of the Judicature Act, as amended, and as provided by any law enacted by Parliament.

## 1.2.2 Jurisdiction in intellectual property proceedings

### 1.2.2.1 Civil jurisdiction

The High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, was enacted by Parliament to empower the Provincial High Courts to exercise jurisdiction in respect of certain civil actions, applications and proceedings, as described in section 2, read together with the First and Second Schedules to the Act.

Section 2 of the Act empowers the Provincial High Courts to exercise civil jurisdiction in respect of those matters set out in its First Schedule, with effect from the publication of a relevant ministerial order in the *Gazette of the Democratic Socialist Republic of Sri Lanka* (the Gazette).

2 [Constitution of the Democratic Socialist Republic of Sri Lanka \(Constitution\)](#), art. 140. See, e.g., *Court of Appeal of Sri Lanka [2011]: K.I.K. Land (Pvt) Ltd v. Director-General, Intellectual Property and others*, CA No. 83/09, 2 Cabral's IPLR 837.

Section 2 of the Act also provides that:

- (1) Every High Court established by Article 154P of the Constitution for a Province shall, with effect from such date as the Minister may, by Order published in the *Gazette*, appoint, in respect of such High Court have exclusive jurisdiction and shall have cognizance of and full power to hear and determine, in the manner provided for by written law, all actions, applications and proceedings specified in the First Schedule to this Act, if 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, or in the case of applications or proceedings under the Companies Act, No. 17 of 1982 the registered office of the Company is situated, within the province for which such High Court is established.
- (2) Where an Order is made under [section 2(1)] in respect of a High Court established by Article 154P of the Constitution, the jurisdiction exercisable by such High Court under that subsection shall—
  - (a) if such High Court is the High Court established for the Western Province, be exercised by that High Court sitting in Colombo and in any other place within the Western Province, as may be designated by the Minister, by Order published in the *Gazette*, with the concurrence of the Chief Justice; or
  - (b) if such High Court is the High Court established for any other Province, be exercised by that High Court sitting in such place within that Province as may be designated by the Minister, by Order published in the *Gazette*, with the concurrence of the Chief Justice.

The First Schedule to the 1996 High Court of the Provinces (Special Provisions) Act was amended by section 205(1) of the IP Act to endow the Provincial High Courts with jurisdiction over matters arising under the IP Act. Item 3 of the First Schedule to the 1996 High Court of the Provinces (Special Provisions) Act, as amended, provides jurisdiction over “[a]ll proceedings required to be taken under the Intellectual Property Act, No. 36 of 2003 in the High Court established under article 154P of the Constitution”.

Item 2 of the Second Schedule to the 1996 High Court of the Provinces (Special Provisions) Act, which provided jurisdiction over “[a]ll proceedings required to be taken in the District Court of Colombo under the Code of Intellectual Property Act, No. 52 of 1979”, was repealed by section 205(2) of the IP Act.

Analogously, the IP Act refers to actions to be heard or taken by the “Court”, which it defines thus:

“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 the 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[.]<sup>3</sup>

The High Court established under article 154P of the Constitution for the Western Province and referenced in the IP Act is commonly known as the Commercial High Court. It sits in Colombo.

Original civil jurisdiction to hear and determine IP matters is presently vested with the Commercial High Court.<sup>4</sup> The Commercial High Court is also vested with jurisdiction to hear and determine appeals against decisions of the Director-General of Intellectual Property.

Under section 2(2) of the 1996 High Court of the Provinces (Special Provisions) Act, the Minister of Justice may, by order published in the *Gazette* under section 2(1) of the Act, designate any other Provincial High Court to exercise civil jurisdiction over those matters set out in the First Schedule to that Act, which also applies to proceedings under the IP Act.

<sup>3</sup> Intellectual Property Act, No. 36 of 2003 (IP Act), s. 212. See also High Court of the Provinces (Special Provisions) Act, No. 10 of 1996 (1996 High Court of the Provinces (Special Provisions) Act), s. 2.

<sup>4</sup> 1996 High Court of the Provinces (Special Provisions) Act, Second Schedule.

The Minister has not yet, however, so designated any other Provincial High Court.

In *Tropical Herbs Pvt Ltd and two others v. Link Natural Products Ltd (Case No. 1)*,<sup>5</sup> the District Court issued *ex parte* enjoining orders in a case of unfair competition. The defendant filed objections challenging the District Court's jurisdiction and moving that the enjoining orders be suspended. The District Court overruled the defendant's objections.

The Court of Appeal upheld the jurisdictional challenge, ruling that exclusive jurisdiction over actions based on unfair competition, as outlined in section 142(1) and (2) of the Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) – now section 160(1) and (2) of the 2003 IP Act – is vested in the Commercial High Court in accordance with section 2(1) of the 1996 High Court of the Provinces (Special Provisions) Act, under the Second Schedule to which the Minister has designated the High Court of the Western Province (i.e., “Colombo”) to handle IP matters.

In the Commercial High Court, proceedings are conducted by a single judge.

At time of writing, four judges – nominated by the Chief Justice under article 154P of the Constitution – individually exercise civil jurisdiction in respect of the IP subject matter set out in the First Schedule to the 1996 High Court of the Provinces (Special Provisions) Act.

Judgments pronounced by the Commercial High Court may be appealed to the Supreme Court.

Orders pronounced by the Commercial High Court may be appealed to the Supreme Court with that higher court's leave.<sup>6</sup>

#### 1.2.2.2 Criminal jurisdiction

Original criminal jurisdiction in respect of offenses involving IP rights and other IP-related offenses is vested with the Magistrates' Courts.<sup>7</sup>

Decisions of the Magistrates' Courts are appealed first to the relevant Provincial High Court established under article 154P(3)(b) of the Constitution to exercise appellate jurisdiction.<sup>8</sup>

Article 154P(3)(b) of the Constitution provides that each Provincial High Court shall, “notwithstanding anything in Article 138 and subject to any law, exercise[] appellate and revisionary jurisdiction in respect of convictions, sentences and orders entered or imposed by Magistrates Courts and Primary Courts within the Province”.

Jurisdiction for an appeal from a decision of the Provincial High Court depends upon whether the Provincial High Court's decision was issued in its exercise of appellate or revisionary jurisdiction over the conviction, sentence or order entered or imposed by the Magistrate's Court.

Article 138(1) of the Constitution provides that:

The Court of Appeal shall have and exercise subject to the provisions of the Constitution or of any law, an appellate jurisdiction for the correction of all errors in fact or in law which shall be committed by the High Court, in the exercise of its appellate or original jurisdiction ... and sole and exclusive cognizance, by way of appeal, revision and *restitutio in integrum*, of all causes, suits, actions, prosecutions, matters and things of which such High Court ... may have taken cognizance.

Article 154P(6) of the Constitution further provides, “subject to the provisions of the Constitution and any law”, a right of appeal to the Court of Appeal in accordance with article 138 to “any

5 Court of Appeal of Sri Lanka [2000]: *Tropical Herbs Pvt Ltd and two others v. Link Natural Products Ltd (Case No. 1)* [2001] 3 Sri LR 141.

6 1996 High Court of the Provinces (Special Provisions) Act, s. 5.

7 IP Act, Chap. XXXVI.

8 Constitution, art. 154P(3)(b); High Court of the Provinces (Special Provisions) Act, No. 19 of 1990 (1990 High Court of the Provinces (Special Provisions) Act), s. 4.

person aggrieved by a final order, judgement or sentence” of a Provincial High Court in the exercise of its jurisdiction under article 154P(3)(b) of the Constitution.

Articles 138 and 154P(6) both subject the Court of Appeal’s jurisdiction to “the provisions of the Constitution [and/or] any law”. Parliament modified the Court of Appeal’s jurisdiction with its enactment of the High Court of the Provinces (Special Provisions) Act, No. 19 of 1990 (the 1990 High Court of the Provinces (Special Provisions) Act).

Section 9(a) of the 1990 High Court of the Provinces (Special Provisions) Act provides for a direct appeal to the Supreme Court from a final order, judgment or sentence of a Provincial High Court made in the exercise of that Court’s *appellate* jurisdiction under article 154P(3)(b) of the Constitution. Such an appeal may be instituted either with leave of the relevant Provincial High Court or, where such leave is refused, with leave of the Supreme Court.<sup>9</sup>

Section 10(2) of the 1990 High Court of the Provinces (Special Provisions) Act accordingly vests the Supreme Court with sole and exclusive jurisdiction, by way of appeal, from any order, judgment, decree or sentence made by a Provincial High Court established under article 154P of the Constitution, when acting in the exercise of the *appellate* jurisdiction conferred upon it by article 154P(3)(b).

The Provincial High Court also exercises revisionary jurisdiction, as provided in article 154P(3)(b) of the Constitution. A party aggrieved by a judgment or order of a Provincial High Court made in the exercise of its revisionary jurisdiction, as distinct from its appellate jurisdiction, cannot appeal directly to the Supreme Court. Such a party must first invoke the appellate jurisdiction of the Court of Appeal, and only thereafter, if unsuccessful, may seek leave to appeal to the Supreme Court.

The cumulative effect of the provisions of article 154P(3)(b) and (6) of the Constitution and section 9 of the 1990 High Court of the Provinces (Special Provisions) Act is that a direct appeal lies to the Supreme Court from a final order, judgment or sentence of a Provincial High Court in the exercise of its *appellate* jurisdiction,<sup>10</sup> while an appeal lies to the Court of Appeal from a final order, judgment or sentence of the Provincial High Court in the exercise of its *revisionary* jurisdiction. A further appeal to the Supreme Court from the decision of the Court of Appeal would lie, with leave.<sup>11</sup>

### 1.2.2.3 Administrative jurisdiction

Established under the IP Act, the National Intellectual Property Office (NIPO) is mandated with the administration of the IP system in Sri Lanka.

In addition to administering the registration of industrial property rights, including trademarks, industrial designs and geographical indications, granting patents, registering collective societies and authorizing the use of folklore, the Director-General of NIPO may be called upon by a copyright or related rights holder to make a binding determination on infringement or other matters impacting their rights.<sup>12</sup>

Additionally, the Director-General of Customs is authorized to dispose of cases alleging counterfeit trademark or pirated copyright goods outside of commercial channels. The Director-General of Customs may also temporarily suspend the release of suspected counterfeit trademark or pirated copyright goods into free circulation upon an application by the right holder.<sup>13</sup>

Court structures and competencies over civil, criminal and administrative IP proceedings are illustrated in [Figure 1.1](#).

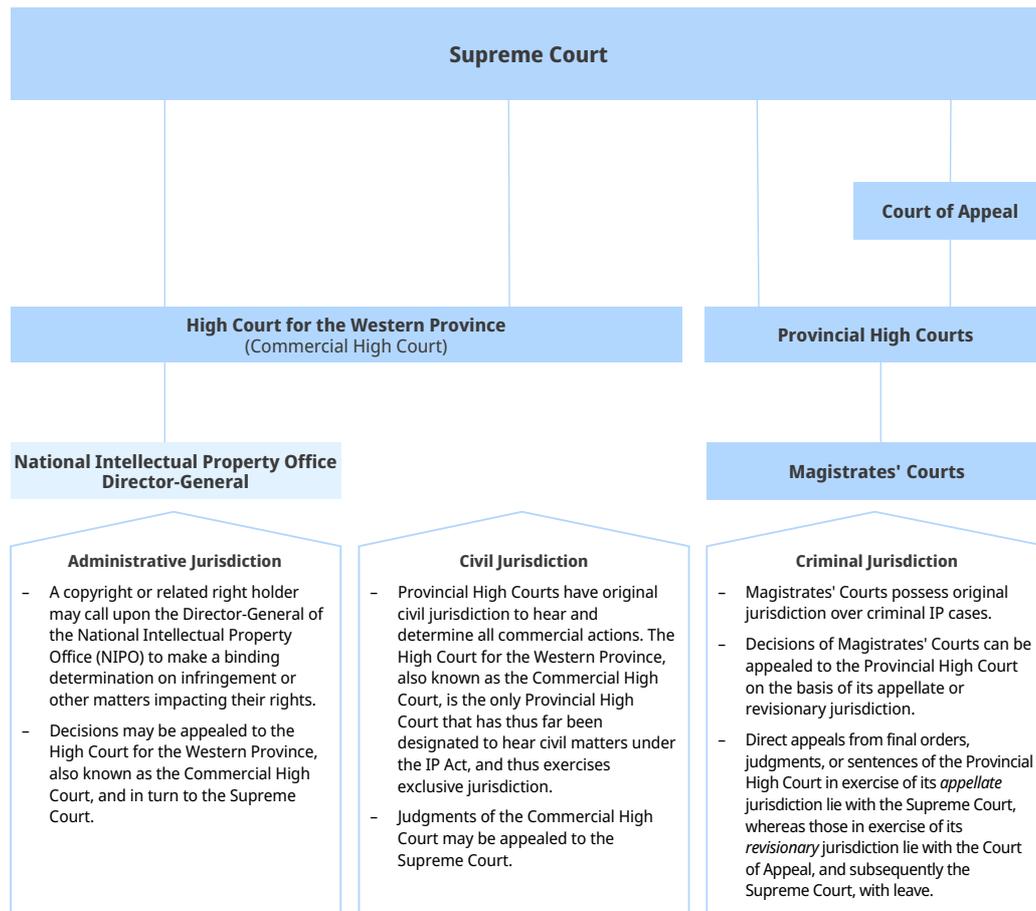
9 1990 High Court of the Provinces (Special Provisions) Act, s. 9.

10 Supreme Court of Sri Lanka [2016]: *Muththusamy Balaganesan v. OIC and another*, Case No. SC/SPL/LA/79/2015 (unreported).

11 Supreme Court of Sri Lanka [1997]: *Abeywardene v. Ajith De Silva* [1998] 1 Sri LR 134.

12 IP Act, s. 22(3).

13 [IP Act](#), s. 207, read together with s. 125B of the Customs Ordinance (Chap. 235). This power will be exercised upon an application in writing made to the Director-General by any right holder.



### 1.3 Sources of law

Sri Lanka's legal system is a complex mixture of English common law, Roman Dutch law, and personal or customary laws and statutes.

The following laws, codes, regulations and other sources apply to IP proceedings before the courts of Sri Lanka and NIPO.

#### 1.3.1 Constitution

The Constitution of the Democratic Socialist Republic of Sri Lanka (the Constitution), as amended, is the supreme source of law in Sri Lanka.

The Constitution includes provisions, *inter alia*, regarding:

- the status of the Republic;
- the establishment of courts;
- the appointment and removal of judges;
- the judiciary, fundamental rights and the jurisdiction of the superior courts; and
- the Provincial High Courts in their exercise of jurisdiction within each province.

#### 1.3.2 Statutes

The relevant statutes that apply to IP proceedings in Sri Lanka include the following.

The Intellectual Property Act, No. 36 of 2003 (the IP Act), as amended, is the primary source of law that sets out the substantive law on copyright, industrial designs, patents,

trademarks, geographical indications, unfair competition, the enforcement of rights, the management of rights and dispute resolution.

The Civil Procedure Code (Chap. 101), as amended, governs procedure in the civil courts relating to actions filed under the provisions of the IP Act.

The Code of Criminal Procedure Act, No. 15 of 1979, as amended, governs the procedure in criminal courts in respect of IP-related offenses under the provisions of the IP Act.

The Customs Ordinance (Chap. 235), as amended by the IP Act,<sup>14</sup> applies to the enforcement of customs control over the import and export of counterfeit trademarks and pirated copyright goods.

The High Court of the Provinces (Special Provisions) Act, No. 10 of 1996 (the 1996 High Court of the Provinces (Special Provisions) Act), vested civil jurisdiction with the Commercial High Court in respect of proceedings initiated under the IP Act.

The High Court of the Provinces (Special Provisions) Act, No. 19 of 1990 (the 1990 High Court of the Provinces (Special Provisions) Act), sets out the jurisdiction and procedure for appeals to the Provincial High Courts established by article 154P of the Constitution and for appeals to the Supreme Court from appellate decisions of the Provincial High Courts.

The Judicature Act, No. 2 of 1978, as amended, provides for the establishment of the courts of first instance, defines the jurisdiction of certain courts and regulates procedure.

### 1.3.3 Regulations

Regulations made by the Minister of Justice under section 204 of the IP Act and published in the Gazette to carry out or give effect to the principles and provisions of the IP Act also serve as an important source of law.

Such regulations relate to, *inter alia*, copyright and related rights, industrial designs, patents, trademarks and layout designs of integrated circuits.

The regulations that apply to trademarks, patents, copyright and related rights are detailed in the respective chapter of this volume.

### 1.3.4 Judicial decisions

#### 1.3.4.1 Decisions of Sri Lankan courts

Previous judicial decisions of Sri Lankan courts can become a source of law when, under the principle of *stare decisis*, they are recognized as binding precedents in subsequent cases decided by the courts.

Decisions made by the superior courts of Sri Lanka – namely, the Supreme Court and the Court of Appeal – establish binding precedents, which serve as guidelines for subsequent decisions. Judges of equal or lower courts within the judicial hierarchy must follow such precedents where the same legal issue arises.<sup>15</sup>

The principle of *stare decisis* applies only to actual determinations in respect of litigated and necessarily decided questions; it is not applicable to *dicta* or *obiter dicta* (i.e., the passing remarks, observations, comments, enunciations or opinions a judge might make on a point that is not the subject matter of a decision). Such statements do not form part of the *ratio decidendi* and therefore are not authoritative.

<sup>14</sup> IP Act, ss. 206–7, amended s. 101 of the Customs Ordinance and inserted new ss. 125A–B.

<sup>15</sup> Black's Law Dictionary.

*Stare decisis* is not a rule of statute but a function of judicial comity. The main object is to ensure the uniformity, consistency, certainty and predictability of the law. “Let the law be stable”, rather than perfect, has been said to be its rationale.<sup>16</sup>

Sri Lankan courts have recognized and accepted the binding effect of the decisions of the highest court or the court of last resort on courts exercising subordinate jurisdiction for more than a century, and hence that effect has acquired the force of custom.<sup>17</sup>

The seven-judge bench of the Sri Lankan Supreme Court in *Bandahamy v. Senanayake*<sup>18</sup> accepted the doctrine of precedent as part of Sri Lankan law and summarized the applicable principles as follows:

- (a) One Judge sitting alone as a rule follows a decision of another sitting alone. Where a Judge sitting alone finds himself unable to follow the decision of another sitting alone the practice is to reserve the matter for the decision of more than one Judge ...
- (b) A Judge sitting alone regards himself as bound by the decision of two or more Judges.
- (c) Two Judges sitting together also as a rule follow the decisions of two Judges. Where two Judges sitting together find themselves unable to follow a decision of two Judges, the practice in such cases is also to reserve the case for the decision of a fuller bench, although the Courts Ordinance does not make express provision in that behalf as in case of a single Judge.
- (d) Two Judges sitting together regard themselves as bound by a decision of three or more Judges.
- (e) Three Judges as a rule follow a unanimous decision of three Judges, but if three Judges sitting together find themselves unable to follow a unanimous decision of three Judges a fuller bench would be considered for the purpose of deciding the question involved.
- (f) Four Judges when unanimous are regarded as binding on all benches consisting of less than four. In other words a bench numerically inferior regards itself as bound by the unanimous decision of a bench numerically superior.
- (g) The unanimous decision of a Collective Court, i.e., a bench consisting of all the Judges for the time being constituting the Court, is regarded as binding on a bench not consisting of all the Judges for the time being constituting the Court even though that bench be numerically superior to the Collective Court owing to an increase in the number of Judges for the time being constituting the Court.

[ ... ]

- (i) That however representative a bench may be, its decision is not regarded as binding if there has been a mistake in the decision, or relevant decisions or statutes have not been considered.
- (j) That the Court is slow to depart from a decision of long standing affecting property rights or commercial transactions even where it does not agree with it.
- (k) That in criminal matters, where the interests of justice or the liberty of the subject requires it, previous decisions are not adhered to with the same rigidity as in civil cases, where it is in the interests of justice or the liberty of the subject that a different view which commends itself to the Court should be taken.<sup>19</sup>

Basnayake J, however, thought that the doctrine of *stare decisis* should not be rigid and that the practice varies from country to country and judge to judge, according to the circumstances.

While the principles regarding precedent decided in *Bandahamy v. Senanayake* have been consistently followed in subsequent decisions of the Supreme Court and the Court of Appeal, Sri Lankan courts have tended to approach the doctrine of *stare decisis* flexibly rather than rigidly.

There are therefore widely accepted exceptions to the doctrine of *stare decisis*.

<sup>16</sup> Supreme Court of Sri Lanka [2022]: *Bulathsinhala Arachchige Indrani Mallika v. Bulathsinhala Arachchige Siriwardane of Dummalasooriya and others*, Case No. SC/Appeal/160/2016 (unreported), p. 14. See also Supreme Court of Sri Lanka [2003]: *Divisional Controller, KSRTC v. Mahadeva Shetty and another* [2003] 7 SCC 197, [23].

<sup>17</sup> Supreme Court of Sri Lanka [1980]: *Walker Sons & Co. (U.K.) Ltd v. Gunatilake* [1978-80] 1 Sri LR 231, 261; Court of Appeal of Sri Lanka [2013]: *Jane Nona and others v. Surabiel and others* [2013] 1 Sri LR 346; Supreme Court of Sri Lanka [2022]: *Bulathsinhala Arachchige Indrani Mallika v. Bulathsinhala Arachchige Siriwardane of Dummalasooriya and others*, Case No. SC/Appeal/160/2016 (unreported).

<sup>18</sup> Supreme Court of Sri Lanka [1960]: *Bandahamy v. Senanayake*, 62 NLR 313.

<sup>19</sup> *Ibid.*, at 344-5.

In ***Bulathsinhala Arachchige Indrani Mallika v. Bulathsinhala Arachchige Siriwardane of Dummalasooriya and others***,<sup>20</sup> the Supreme Court of Sri Lanka referred to the decision of the Court of Appeal of England and Wales in *Young v. Bristol Aeroplane Co. Ltd.*,<sup>21</sup> summarizing it as follows:

1. The Court is entitled and bound to decide which of two of its own conflicting decisions it will follow.
2. The Court is bound to refuse to follow a decision of its own that – though not expressly overruled – cannot, in its opinion, stand with a decision of the House of Lords.
3. The Court is not bound to follow a decision of its own if it is satisfied that the decision was given *per incuriam*.

The Supreme Court confirmed in ***Bandahamy v. Senanayake***<sup>22</sup> that a previous decision is not regarded as binding if it includes a mistake or if other relevant decisions or statutes have not been considered in arriving at it.

This principle was reiterated in ***Bulathsinhala Arachchige Indrani Mallika v. Bulathsinhala Arachchige Siriwardane of Dummalasooriya and others***,<sup>23</sup> in which the Supreme Court held that a lower court can decline to follow a decision given *per incuriam* by a superior court in instances in which the judgment is defective on its face, such as where a judge has ignored or forgotten statute or judicial precedent.

The Court of Appeal applied this exception to *stare decisis* in ***Jane Nona and others v. Surabiel and others***.<sup>24</sup> After analyzing the applicable legal provisions, the Court of Appeal held that a decision of the Supreme Court<sup>25</sup> was not absolutely binding, since there had been a failure to consider specific provisions of the relevant law.

Cases decided by the superior courts (i.e., the Supreme Court and the Court of Appeal) are available on their official websites.

Important cases decided by the superior courts are officially reported in the *Sri Lanka Law Reports* (Sri LR). In addition, such important cases are also reported in the *Bar Association Law Reports* (BLR) and *Cabral's Intellectual Property Law Reports* (Cabral's IPLR).

#### 1.3.4.2 Foreign judgments

Although not sources of Sri Lankan law, decisions from foreign jurisdictions may be considered persuasive authorities by Sri Lankan courts when the law that they interpret and apply is identical or similar to that of Sri Lanka. Such decisions may be considered only in the context of Sri Lanka's own laws, legal procedure, precedents and the practical realities of litigation in Sri Lanka.

Before a foreign court's decision may be referenced to support a case before a Sri Lankan court, the latter must carefully examine the structural differences and similarities between the applicable laws in each jurisdiction.

#### 1.3.5 International treaties

Sri Lanka has joined a number of international treaties relating to IP rights, including the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

20 Supreme Court of Sri Lanka [2022]: *Bulathsinhala Arachchige Indrani Mallika v. Bulathsinhala Arachchige Siriwardane of Dummalasooriya and others*, Case No. SC/Appeal/160/2016 (unreported), p. 18.

21 Court of Appeal of England and Wales [1944]: *Young v. Bristol Aeroplane Co. Ltd* [1944] KB 718.

22 Supreme Court of Sri Lanka [1960]: *Bandahamy v. Senanayake*, 62 NLR 313, 345, point (i).

23 Supreme Court of Sri Lanka [2022]: *Bulathsinhala Arachchige Indrani Mallika v. Bulathsinhala Arachchige Siriwardane of Dummalasooriya and others*, Case No. SC/Appeal/160/2016 (unreported).

24 Court of Appeal of Sri Lanka [2013]: *Jane Nona and others v. Surabiel and others* [2013] 1 Sri LR 346.

25 Namely, the decision in Supreme Court of Sri Lanka [2012]: *Gamaralage Karunawathie v. Godayalage Piyasena* [2012] BLR 81.

Sri Lanka is also party to multiple treaties administered by the World Intellectual Property Organization (WIPO), including the:

- Berne Convention for the Protection of Literary and Artistic Works (Berne Convention)
- Paris Convention for the Protection of Industrial Property (Paris Convention)
- Patent Cooperation Treaty (PCT)
- Trademark Law Treaty (TLT)
- Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (Marrakesh VIP Treaty).

Sri Lanka follows a dualist system, which distinguishes between international and domestic law. International treaties do not automatically become part of binding domestic law upon ratification; to have effect in Sri Lanka, a treaty must be incorporated into domestic law by Parliament.

In some cases, Sri Lankan courts have referred to international treaties as interpretive aids where domestic law is ambiguous.

## 1.4 Scope of intellectual property protection in Sri Lanka

The IP Act recognizes and protects the following types of IP right in Sri Lanka:

- trademarks;
- patents;
- copyright and related rights;
- expressions of folklore;
- geographical indications;
- industrial designs;
- undisclosed information; and
- layout designs of integrated circuits.

In general, these rights are obtained as follows:

- Protection for **copyright** and **related rights** is free and automatic, and available upon the creation of a work, irrespective of its mode or form of expression, as well as its content, quality and purpose.
- Protection for **undisclosed information** and **expressions of folklore** is also free and automatic.
- A **patent** must be granted.
- A **trademark, industrial design** or **layout design of an integrated circuit** must be obtained by registration.
- **Geographical indications** can be obtained by registration. Geographical indications can also be protected as **collective marks** or **certification marks** under sections 138 and 142 of the IP Act.

The Director-General of NIPO is responsible for registering trademarks, industrial designs, layout designs of integrated circuits and geographical indications, as well as for granting patents.

This volume provides detailed information regarding the three types of IP right that are adjudicated most frequently in Sri Lankan courts: trademarks ([Chapter 2](#)), patents ([Chapter 3](#)) and copyright ([Chapter 4](#)). Related rights and expressions of folklore are discussed in [Chapter 4](#). [Chapter 5](#) provides a brief introduction to each of the other types of IP right.

The IP Act also provides a statutory framework for protection against acts of **unfair competition** (see [Chapter 2, section 2.7.2](#)), which may provide an additional cause of action for infringement of an IP right.

Rights under the IP Act also coexist with common law causes of action, such as **passing off**, which also provide a basis for protecting IP in Sri Lanka. Passing off is discussed in [Chapter 2, section 2.7.3](#).

## Part II Challenges to the validity of intellectual property rights

### 1.5 Administrative review proceedings

Certain of the decisions of the Director-General of NIPO may be challenged via an administrative review proceeding conducted by that Office.

Opposition and revocation or cancellation proceedings may be pursued as an alternative or a precursor to litigation before the courts.

#### 1.5.1 Opposition proceedings

- A **patent** cannot be opposed administratively in Sri Lanka – in an effort to reduce delays and expenses at the grant stage.
- An **industrial design** may be opposed within two months of its publication.<sup>26</sup>
- A **trademark** application may be opposed within three months of its publication.<sup>27</sup>
- A **geographical indication** may be opposed within three months of its publication.<sup>28</sup>

Opposition decisions may be appealed to the Commercial High Court.

The Director-General should be made a party to such an action.

The Court may affirm, reverse or vary NIPO's decision, or it may issue other directions to the Director-General.

Details are provided in the subsequent chapters dedicated to specific types of IP right – namely, trademarks ([Chapter 2](#)), patents ([Chapter 3](#)) and copyright ([Chapter 4](#)).

#### 1.5.2 Revocation or cancellation proceedings

##### 1.5.2.1 Trademarks

The Director-General may remove the registered trademark from the register if the renewal fee is not paid within the period or extended period specified in section 119(3) of the IP Act.

##### 1.5.2.2 Industrial designs

The Director-General may remove the registered industrial design from the register if the renewal fee is not paid within the period or extended period specified in section 46(2) of the IP Act.

##### 1.5.2.3 Geographical indications

The Director-General may cancel the registration of any geographical indication for grounds specified in section 161J(a)–(d) of the IP Act, as amended.<sup>29</sup>

#### 1.5.3 Appeals

Under section 173(1) of the IP Act, any decision made by the Director-General under any provision of that Act may be appealed to the Commercial High Court by any aggrieved person within six months from the date of the decision.

Appeals shall be made by way of a petition of appeal accompanied by certified copies of all relevant documents and affidavits from the NIPO file.

<sup>26</sup> IP Act, s. 40(9); Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (2006 IP Regulations), reg. 6(1).

<sup>27</sup> IP Act, s. 111(1); 2006 IP Regulations, reg. 20(1).

<sup>28</sup> IP Act, s. 161D.

<sup>29</sup> As inserted by Intellectual Property (Amendment) Act, No. 8 of 2022, s. 9.

A copy of the petition of appeal, the accompanying documents and the affidavits must be served on the Director-General and other respondents named in the petition of appeal. Proof of such service must be furnished to the Court together with the petition of appeal.

Section 173(2) of the Act provides that the respondent is entitled to file a statement of objections.

## 1.6 Court actions challenging the registration or grant of intellectual property rights

Section 173(4) of the IP Act provides that the Commercial High Court may affirm, reverse or vary the decision of the Director-General, may issue such directions to the Director-General or may order the Director-General to conduct a further hearing.

Under section 173(3), the Court may also call for the original file from the Director-General, and it may receive and admit new evidence by way of affidavit and document evidence additional or supplementary to that already given before the Director-General in respect of the matter in issue.

### 1.6.1 Pre-grant opposition to a patent application

The IP Act does not provide for a formal pre-grant opposition procedure.

The proviso to section 79(2) of the IP Act requires the Director-General of NIPO to publish a notice informing the public that a patent may be granted if the applicant has not tendered an international search report but has instead requested that the Director-General refer the application to a local examiner under the proviso to section 73(1). The Director-General may grant the patent three months after the publication of such a notice.

This is the only provision in the IP Act that requires the Director-General to publish information regarding a patent application prior to grant.

A third party showing a legitimate interest may file a case in the Commercial High Court opposing the grant of the patent. The Court has implicit jurisdiction to direct the Director-General on matters relating to a pending patent application, which may include:

- delaying or staying the patent grant;
- directing a full search, including an international search report; and
- directing reexamination of the application based on further evidence.

The Director-General is bound to abide by the orders and decisions of the Court.

### 1.6.2 Action for revocation or nullification of an intellectual property right

Under sections 60, 99(1), 134(1) and 154(3) of the IP Act, respectively, only the Commercial High Court has jurisdiction to declare a patent, industrial design, trademark or layout design of an integrated circuit null and void.

In a patent, industrial design or trademark infringement case, the defendant may raise invalidity as a defense and request revocation.

If, in an action challenging the validity of the plaintiff's IP right, the defendant has set up a counterclaim and sought a declaration of infringement against the plaintiff, both claims can be heard together in the same action.

If two or more separate actions have been filed for nullity and infringement, the Court may – with the parties' agreement – consolidate into one action those in which the questions of law or facts in issue are substantially the same.<sup>30</sup>

30 [Civil Procedure Code](#), s. 149A(1), inserted by [Civil Procedure Code \(Amendment\) Act, No. 8 of 2017](#), s. 11.

With the parties' consent, the Court may order:

- (a) several actions to be tried at the same time and on the same evidence; or
- (b) the evidence in one action to be used as evidence in another action, or
- (c) one of several actions to be tried and other actions to be stayed to abide by the result...<sup>31</sup>

#### 1.6.2.1 Nullification of a patent

Any person having a legitimate interest or any competent authority, including the Director-General, may apply to the Commercial High Court to declare a patent null and void on one or more of the grounds specified in section 99(1)(a)–(d) of the IP Act.

Additional details are provided in [Chapter 3](#) of this volume on patents.

#### 1.6.2.2 Nullification of registration of a trademark

Section 134 of the IP Act provides that any person having a legitimate interest or any competent authority, including the Director-General, may apply to the Commercial High Court to declare the registration of a trademark null and void if registration was precluded under sections 103 and 104.

Additional details are provided in [Chapter 2](#) of this volume on trademarks.

#### 1.6.2.3 Nullification of registration of an industrial design

Any person having a legitimate interest or any competent authority, including the Director-General, may apply to the Commercial High Court to declare the registration of the industrial design null and void on one or more of the grounds specified in section 60(1)(a)–(c) of the IP Act.

#### 1.6.2.4 Cancellation of registration of a layout design of an integrated circuit

Any person interested in a registered layout design or an appropriate authority, including the Director-General, may apply to the Commercial High Court for the cancellation of the design's registration on one or more of the grounds specified in section 154(1)(a)–(c) of the IP Act. The registered owner, as well as any licensee, sublicensee or assignee on record, must be made party to the proceeding.<sup>32</sup>

## 1.7 Relationship between administrative and judicial proceedings

The Supreme Court of Sri Lanka has held that judicial precedent is to be followed by the Director-General of NIPO, as well as the courts.

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In *Stassen Exports Ltd v. Lipton Ltd and another*,<sup>33</sup> Stassen Exports had applied to the Director-General for the registration of its trademark, "SEL STASSEN- PURE CEYLON TEA- Packeted in Sri Lanka" (proposed Trademark No. 49819), and the application was advertised in the Gazette. Lipton filed a notice of opposition to the application based on the similarity between the proposed trademark and its own registered Trademark No. 41620 and unregistered Trademark No. 43958.

In the meantime, Lipton instituted an action in the District Court against Stassen Exports, seeking *inter alia*, injunctive relief restraining Stassen Exports from using the proposed trademark or any colorable imitation of its own registered Trademark No. 41620 and its unregistered Trademark No. 43958.

<sup>31</sup> Civil Procedure Code, s. 149A(2), inserted by Civil Procedure Code (Amendment) Act, No. 8 of 2017, s. 11.

<sup>32</sup> IP Act, s. 154(3).

<sup>33</sup> Supreme Court of Sri Lanka [2008]: *Stassen Exports Ltd v. Lipton Ltd and another* [2009] 2 Sri LR 172.

The trial judge dismissed Lipton's action on the ground that there was no likelihood of the public being misled by Stassen Export's use of the proposed trademark.

The Court of Appeal of Sri Lanka dismissed Lipton's appeal.

When Lipton's opposition to Stassen Export's registration of the trademark was taken up for inquiry, both judgments (i.e., that of the District Court and that of the Court of Appeal) were before the Director-General of NIPO, along with affidavits filed by both parties. The Director-General upheld Lipton's objection and refused Stassen Export's application for registration of its trademark.

Stassen Exports filed an appeal in the Commercial High Court, which – while affirming the Director-General's decision – stated that since the Director-General was not a party to the actions before the District Court and the Court of Appeal, the Director-General was not bound by these decisions.

Stassen Exports appealed to the Supreme Court of Sri Lanka.

The decision of the Supreme Court can be summarized as follows:

1. The Court of Appeal's decision, which affirmed the District Court's decision, acted as a bar against Lipton claiming that the Director-General had the authority to hear and determine a matter that had already been decided by a higher court.
  2. Judicial precedent, which is part of Sri Lankan law, is to be applied not only to courts but also to other tribunals and authorities that have the power to make orders affecting the rights of other parties, and hence the judgments of the District Court and the Court of Appeal were binding on the Director-General.
  3. The dispute between Stassen Exports and Lipton was fully and finally decided before the Court of Appeal, which answered identical questions to those that later came up before the Director-General – namely, whether the use of the proposed mark was an act of unfair competition. The Director-General's failure to consider the two judgments therefore vitiated its order.
  4. The Director-General was not entitled in law to conclude independently, without reference to the two earlier judgments, whether or not the proposed mark should be registered.
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## Part III Actions arising from infringement

### 1.8 Administrative action for infringement of copyright and related rights

Section 22(3)(a) of the IP Act provides:

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 [section 22(3)(b)].

This administrative dispute resolution procedure may be requested by an owner of a copyright or a related right.

The Director-General may decide questions relating to infringement, ownership of rights, contractual relationships, payment of royalties and quantum of royalties.

The IP Act does not provide for a similar administrative procedure for other IP rights.

See also Chapter 4, section 4.10, for further discussion of administrative proceedings under section 22(3) in relation to copyright.

#### 1.8.1 Procedure

Regulation 3(1)–(10) of the Intellectual Property Regulations, No. 1 of 2005, published in Gazette No. 1415/18 dated October 19, 2005 (the 2005 IP Regulations), sets out quasi-judicial procedural requirements for the administrative procedure authorized by section 22(3) of the IP Act.

Those requirements can be summarized as follows:

1. A person aggrieved by the infringement of any of their rights under section 22(3)(a) and seeking dispute resolution must apply to the Director-General – using a form set out in the First Schedule to the Regulations<sup>34</sup> – within one month from the date on which they have become aware of the infringement.
2. The alleged infringer must be served with a copy of the application and asked to make observations on its contents, and to provide evidence by affidavit, within one month of receipt.
3. Upon receiving any such observations, the Director-General shall fix a hearing date, at which the affidavit evidence shall be submitted.
4. The parties are to make simultaneous written submissions on a date after the hearing that the Director-General shall fix.
5. Having considered the evidence and submissions, the Director-General shall make a decision that is binding on the parties.
6. The Director-General may make their decision *ex parte* if the alleged infringer fails to submit observations or to appear at the hearing.

<sup>34</sup> Intellectual Property Regulations, No. 1 of 2005, published in Gazette No. 1415/18 dated October 19, 2005 (2005 IP Regulations), First Schedule, Form C-01.

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In ***Methushanka Suduweli Kondage v. Charitha Rakshitha Attalage and Director-General of Intellectual Property***,<sup>35</sup> the Commercial High Court held that, when adjudicating disputes, the Director-General must comply with the laws of natural justice, which “requires that both parties be given a fair opportunity to present their case and challenge the evidence presented against them. ... This includes allowing both parties ... to cross-examine witnesses...”<sup>36</sup>

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### 1.8.2 Appeals

Section 22(3)(b) of the IP Act provides that any person aggrieved by the Director-General’s decision in an administrative action is entitled to appeal to the Commercial High Court.

Under section 173(1), they must do so within a period of six months from the date of such decision.

Section 173(3) mandates that such a person shall submit a petition of appeal to the Court, accompanied by certified copies of all relevant documents and affidavits from the NIPO file.

The same section provides that a copy of the petition of appeal and the accompanying documents and affidavits must be served on the Director-General and any other respondents named in the petition of appeal. Proof of such service must accompany the petition of appeal submitted to the Court and respondents are entitled to file a statement of objections.

Section 22(3)(b), meanwhile, provides that unless the Commercial High Court issues an interim order staying the decision of the Director-General, that decision shall continue to be in force with binding effect until the Court has decided the matter.

### 1.8.3 Remedies

Section 174(1) of the IP Act grants the Director-General power to award such costs as they consider reasonable in all proceedings before them. Such orders, when filed in the Commercial High Court, may be enforced as if they were orders of the Court.

The IP Act is silent, however, regarding the type of relief that the Director-General may be able to award a successful applicant. Because the scope of the inquiry may relate to ownership and infringement of copyright and related rights, remedies may include:

- an award of damages, including royalties;
- restraining the respondent from committing or continuing the infringing acts; and
- the assignment or licensing of rights.

### 1.8.4 Interaction with related judicial proceedings

The Commercial High Court has delivered judgments concerning parallel proceedings before the Director-General and the courts, and has clarified that decisions of the Director-General do not have a *res judicata* effect in subsequent court proceedings.

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In ***Methushanka Suduweli Kondage v. Charitha Rakshitha Attalage and Director-General of Intellectual Property***,<sup>37</sup> the Commercial High Court opined that when the same disputed issue is pending before both the Commercial High Court and the Director-General, the Director-General ought to suspend their inquiry until the conclusion of the matter in the Commercial High Court, to avoid conflicting decisions.<sup>38</sup>

Additionally, “when the [IP Act] provides for an appeal to the Commercial High Court against the decision of the Director-General, it would be appropriate to stay the inquiry before the

35 High Court of the Western Province of Sri Lanka [2024]: *Methushanka Suduweli Kondage v. Charitha Rakshitha Attalage and Director-General of Intellectual Property*, Case No. HC/Civil/01/23/IP (unreported).

36 *Ibid.*, [22]–[23].

37 *Ibid.*

38 *Ibid.*, [30].

Director-General until the matter is finally determined by the Commercial High Court”, to avoid duplicative proceedings.<sup>39</sup>

In *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*,<sup>40</sup> the question arose before the Commercial High Court whether a decision of the Director-General pursuant to the procedure set forth in section 22(3) of the IP Act operates as *res judicata* between the parties in respect of a subsequently filed dispute before the Court and, if so, whether the plaintiff could have and maintain the action as constituted.

The Director-General had held an inquiry, at the plaintiff’s request, under section 22(3) of the IP Act and had made a determination awarding a sum of LKR 10,000 as damages to the plaintiff.

The plaintiff instituted an action in the Commercial High Court against the defendant, praying, *inter alia*, for:

- a declaration that the defendant had violated the plaintiff’s economic rights;
- an order requiring the defendant to account for their profits; and
- an injunction.

The defendant averred that the plaintiff did not appeal the decision of the Director-General; therefore, the dispute had been finally and conclusively determined, and it was *res judicata* between the parties.

Rejecting the defendant’s position, the Commercial High Court held as follows:

1. The purpose of introducing section 22(3) of the IP Act was to provide a dispute resolution alternative to proceedings before a court of competent jurisdiction established by the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996.
2. The status of the Director-General under section 22(3) is equivalent to that of an arbitrator. The Director-General is not a court of competent jurisdiction.
3. There is no mechanism for the enforcement of the Director-General’s decisions; therefore any order that the Director-General passes cannot be regarded as a decree passed by a competent court for the application of the principle of *res judicata*.

## 1.9 Civil judicial infringement proceedings

In an infringement action, the plaintiff alleges that its IP right (e.g., copyright, patent, trademark, industrial design) has been violated by another person or entity.

The plaintiff (often the right holder or a party with rights under a license) can ask the Commercial High Court to prevent any person from infringing or threatening to infringe their recognized IP rights or performing acts that are likely to infringe the plaintiff’s rights provided for under the IP Act.

### 1.9.1 Statutory basis

The IP Act provides multiple grounds on which an infringement action can be initiated in the Commercial High Court.

<sup>39</sup> *Ibid.*, [31].

<sup>40</sup> High Court of the Western Province of Sri Lanka [2019]: *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*, Case No. HC/Civil/07/2010/IP (unreported).

### 1.9.1.1 General basis for infringement of any intellectual property right

Section 170(1) of the IP Act provides the general basis for an infringement action to enforce any of the IP rights granted under the Act, including copyright, related rights, patents, trademarks, industrial designs and geographical indications:

Where a person to whom any recognised rights granted under this Act, proves to the [sa] tisfaction of the Court that any person is threatening to infringe or has infringed his rights or is performing acts which make[] it likely to infringe a right under this Act, ... 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.

An action can be brought under section 170(1) based on actual or anticipated future infringement.

- **Actual infringement** The defendant has, in fact, infringed an exclusive right of the right holder.
- **Threatened infringement** The defendant has indicated or implied, either explicitly or implicitly, that they intend to infringe an IP right in the future.
- **Possible/potential infringement** The defendant has performed an act that can be recognized as making it likely that infringement will occur in the future.

### 1.9.1.2 Additional basis for infringement of copyright and related rights

Another section of the IP Act provides an additional basis for instituting an infringement action for violations of certain IP rights.

The owner of a **copyright or related right** may invoke section 22(1) of the IP Act to institute an action in the Commercial High Court to enjoin a party from actual or threatened infringement of any right(s) protected under Part II of the IP Act – namely:

- economic rights, as set out in section 9(1);
- moral rights of the author, as set out in section 10(1);
- related rights of performers, as set out in section 17(1);
- rights of producers of sound recordings, as set out in section 18(1); and
- rights of broadcasting organizations, as set out in section 20(1).

### 1.9.1.3 Action for declaration of noninfringement

Section 172(1) of the IP Act provides that the Commercial High Court may, on the application of any person with a legitimate interest, declare that the threatened performance or actual performance of a specific act does *not* constitute a threatened infringement or actual infringement of a patent, industrial design, mark or geographical indication, or any other right provided for under the IP Act.

Under section 172(3), proceedings for such a declaration of noninfringement may be instituted concurrently with proceedings seeking a declaration that the registration of an industrial design, patent, mark, geographical indication or any other right provided for by the IP Act is null and void – provided that the matters in issue in the proceedings for a declaration of noninfringement are not already the subject of infringement proceedings.

Section 172(1) mandates that the registered owner of the patent, industrial design, mark, geographical indication or any other IP right provided for by the IP Act must be made party to any such action.

Under section 172(2), the registered owner of the patent, industrial design, mark, geographical indication or any other IP right provided for by the IP Act must also give notice of their application to any assignee or licensee, each of whom is entitled to join in the proceedings as long as there is no provision to the contrary in their agreement with the registered owner.

### 1.9.2 Standing

The right owner, or a person the owner duly authorizes to enforce their IP rights, has standing to bring an action under sections 22(1) and/or 170(1) of the IP Act.

Under section 171(1)(b), in the absence of any provision to the contrary in their license contract with the owner of the relevant industrial design, patent, mark or other right provided for by the IP Act, a licensee is also entitled to seek an injunction in their own name if the right owner refuses or fails to seek one within three months of the licensee requesting that they do so.

The licensee must provide notice of any such action to the registered owner, who may join in the proceedings.

Section 171(1) of the IP Act states:

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.

A right owner, including a foreign national, may represent themselves in a civil proceeding, but most prefer to appoint an attorney-at-law practicing in Sri Lanka to represent them, by executing and filing a proxy with the court.<sup>41</sup>

A right owner may also grant a power of attorney to an agent as their representative in Sri Lanka.<sup>42</sup> The holder of a power of attorney may not represent the right owner in court, but the holder of the power of attorney may execute a proxy authorizing an attorney-at-law practicing in Sri Lanka to represent the right owner in a civil proceeding.<sup>43</sup>

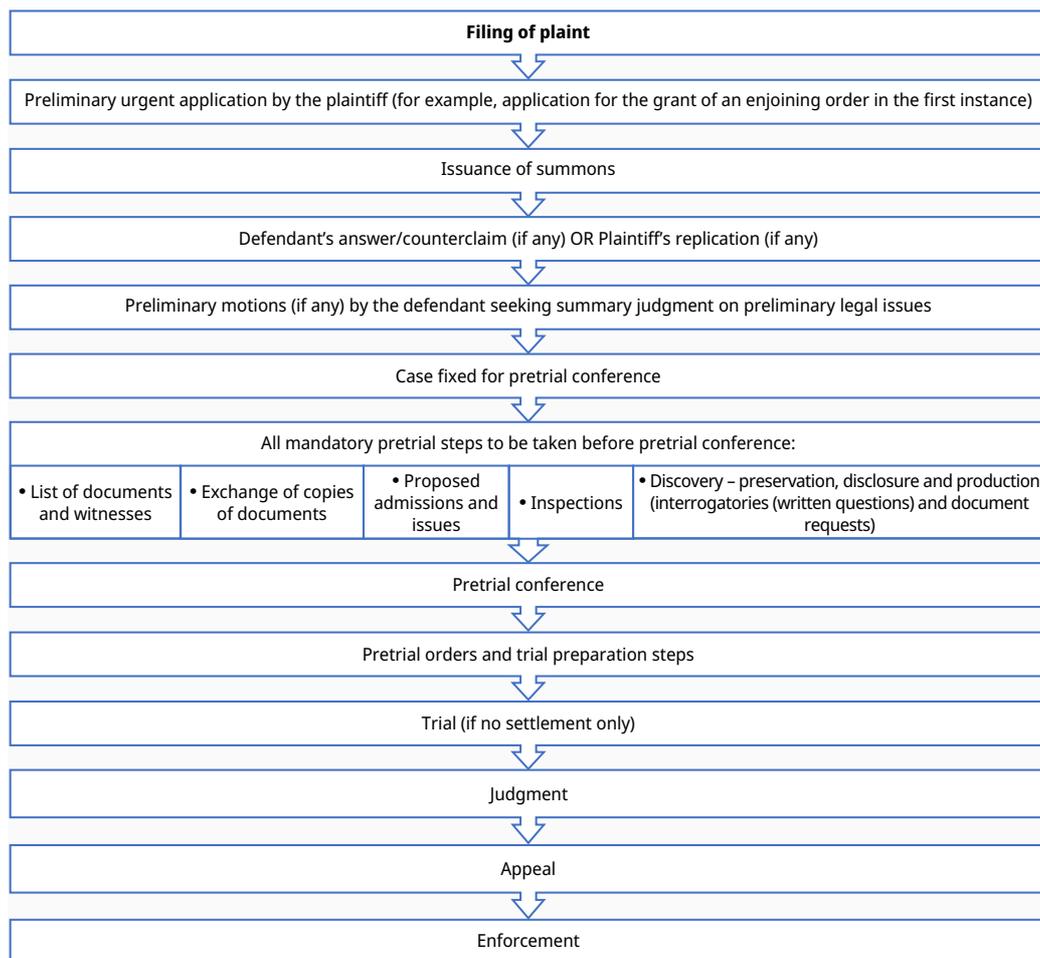
### 1.9.3 Procedure

The procedure followed in the Commercial High Court to adjudicate an IP dispute can be summarized as in [Figure 1.2](#).

<sup>41</sup> [Civil Procedure Code](#), ss. 24, 27.

<sup>42</sup> [Powers of Attorney Ordinance](#) (Chap. 122), s. 2.

<sup>43</sup> [Civil Procedure Code](#), ss. 24, 25.

**Figure 1.2 Procedure for civil IP proceedings before the Commercial High Court**

#### 1.9.4 Pleadings

A civil IP case is instituted in the Commercial High Court by way of regular action.

The pleadings in an infringement action are governed by the Civil Procedure Code. The pleadings in a civil litigation in the form of a regular action are limited to:

- plaintiff;
- answer or counterclaim; and
- replication (where relevant).<sup>44</sup>

Further, if an injunction or enjoining order is sought together with the plaintiff, the averments of the plaintiff must be supported by an affidavit.<sup>45</sup>

If the injunction or enjoining order is sought while the action is pending, any such application must be made with notice to the respondent, by petition and accompanied by an affidavit made by the applicant or some other person having knowledge of the facts, containing a statement of the facts on which the application is based.<sup>46</sup>

<sup>44</sup> Civil Procedure Code, ss. 39–54, 72–79.

<sup>45</sup> Judicature Act, No. 2 of 1978, s. 54(1); Civil Procedure Code, s. 662.

<sup>46</sup> Civil Procedure Code, s. 662, read together with Judicature Act, s. 54(3).

### 1.9.5 Necessary parties

In civil proceedings, including IP cases, all parties whose presence before a court is necessary to the proceedings to enable the court to effectively and completely adjudicate upon and settle all the questions involved in the action (“necessary parties”) must be joined as parties.<sup>47</sup>

In ***Dharma S. Samaranayake v. Sarasavi Publishers (Pvt) Ltd***,<sup>48</sup> the Supreme Court of Sri Lanka reiterated the importance of bringing all relevant and necessary parties before the Court prior to judgment regarding the ownership of IP rights. In this case, Samaranayake, a book editor, filed suit against a publisher for copyright infringement in the culinary skills book entitled *Galkissa hotalaye Publis Silvage hela ratawata iwum pihum*. The book itself recognized and identified a third party, chef Publis Silva, as its author and the holder of copyright in the title (according to the notation “©”). Neither the plaintiff editor (Samaranayake) nor the defendant publisher (Sarasavi Publishers) had joined Publis Silva to the action, and the trial court did not hear from Publis Silva before delivering its judgment.

The Supreme Court found that the trial judge had erred in finding fault with the defendant publisher for not joining Publis Silva to establish its defense. The Court held that the author, as copyright holder, was a necessary party to the action and that the burden lay with the plaintiff editor to join Silva to establish a claim to copyright in the work.

In ***Ariyawathie Senadheera and another v. Shantha Senadheera and another***,<sup>49</sup> the plaintiffs, heirs to the late Kulanatha Senadheera, asserted copyright to his book *නුතන චිත්‍ර කලාවේ රසික සංකල්ප* (Aesthetic Concepts in Modern Art), and claimed that a second edition of the book, published after Senadheera’s death without their consent, infringed their rights. The plaintiffs failed to join their fellow heir, Sidath Senadheera, as either a plaintiff or defendant to their action.

One of the defendants claimed that he had obtained verbal consent from Sidath Senadheera to publish the second edition of the book.

The trial judge declined the plaintiffs’ request for a declaration that they were entitled to rights in *නුතන චිත්‍ර කලාවේ රසික සංකල්ප* because Sidath Senadheera had not been made a party to the case and had not given evidence at trial to establish that he had not transferred his rights.

The plaintiffs had also failed to bring before the trial court the publisher of the second edition and the younger brother of Kulanatha Senadheera, whom the notation “©” designated as copyright holder in the second edition.

The Supreme Court confirmed that, in these circumstances, the plaintiffs had not been entitled to a declaration that might affect the lawful rights of these other individuals.

### 1.9.6 Discovery and gathering of information

The Civil Procedure Code, as amended, contains provisions for the discovery of physical documents and electronic evidence in support of litigation from computer systems, mobile devices, cloud storage, servers, backup systems, social media platforms and so on.<sup>50</sup>

The discovery of physical documents takes place *after* the institution of a civil proceeding, while the discovery of electronic documents may begin *before* the institution of the civil action in certain urgent situations where there is a possibility of spoilage.<sup>51</sup>

47 Civil Procedure Code, s. 18(1).

48 Supreme Court of Sri Lanka [2023]: *Dharma S. Samaranayake v. Sarasavi Publishers (Pvt) Ltd*, Case No. SC/CHC/ Appeal/60/2013 (unreported).

49 Supreme Court of Sri Lanka [2017]: *Ariyawathie Senadheera and another v. Shantha Senadheera and another*, Case No. SC/CHC/40/2010 (unreported).

50 Civil Procedure Code, s. 103(2)–(14), as amended by [Civil Procedure Code \(Amendment\) Act, No. 29 of 2023](#) (2023 Civil Procedure Code Act), s. 13(3).

51 *Ibid.*

Subject to the protection of confidential information, the IP Act authorizes the Commercial High Court to direct the opposing party to tender evidence that is relevant to the substantiation of the claim and which is in that party's control if the claimant has:

- presented reasonably available evidence in support of the claim; and
- specified that such evidence lies in the control of the opposing party.<sup>52</sup>

Discovery has three main phases:

1. preservation;
2. discovery; and
3. production.

The Court may make a preservation, discovery or production order on a phased basis, meaning that it can issue multiple stages of orders for disclosure, depending on the specific needs and circumstances of the litigation. This can help the parties to manage the volume and complexity of information involved in large cases and to ensure that discovery is proportional to the issues in dispute.

To minimize disputes and legal costs, it is best practice to encourage the parties to cooperate (i.e., "meet, confer and agree") and reach agreements on the scope and method of discovery, the persons before whom the discovery is to be performed, and the timelines and format of discovery.

#### 1.9.6.1 Discovery of electronic evidence (e-discovery)

Electronic discovery (e-discovery) involves the preservation, discovery or production of electronic evidence from electronic data, such as emails, e-documents, e-records, e-communications, text messages, databases and social media content, and so on.

Applications for e-discovery in Sri Lanka can be classified thus:

- before the institution of the action, seeking documents from likely parties to the action;<sup>53</sup>
- during the course of the action, seeking documents from parties to the action;<sup>54</sup> and
- during the course of the action, seeking documents from nonparties to the action.<sup>55</sup>

The Civil Procedure Code allows a party intending to institute any civil proceeding to apply to a court *ex parte*, by way of a petition and affidavit, for an order requiring any intended defendant to such proceeding who is in possession of any relevant electronic document to preserve, discover or produce that document.<sup>56</sup> The intended defendant should be made a party to the petition.<sup>57</sup>

When such applications are made *before* the institution of the action, the court will usually issue a preservation order and then encourage the parties to reach agreement before it will issue discovery and production orders.

Discovery and production orders can be issued together.

Physical discovery provisions, however, do not apply to the discovery of evidence *before* the institution of the action.

The Civil Procedure Code, as amended, includes several provisions relating to e-discovery in IP actions that apply either before the institution of an action or during its course, including:

**Civil Procedure Code, s. 103(2)**, on the discovery of e-documents from an intended party to an action

52 IP Act, s. 170(3)(a)(iii).

53 Civil Procedure Code, s. 103(2)-(4), as amended by the 2023 Civil Procedure Code Act, s. 13(3).

54 Civil Procedure Code, s. 103(5)-(8), as amended by the 2023 Civil Procedure Code Act, s. 13(3).

55 Civil Procedure Code, s. 103(9), as amended by the 2023 Civil Procedure Code Act, s. 13(3).

56 Civil Procedure Code, s. 103(2)-(14), as amended by the 2023 Civil Procedure Code Act, s. 13(3).

57 *Ibid.*

**Civil Procedure Code, s. 103(5)–(8)**, on the discovery of e-documents from a party during the course of the action

**Civil Procedure Code, s. 103(9)–(12)**, on the discovery of e-documents from a nonparty during the course of the action

**Civil Procedure Code, s. 103(13)**, on objections to, and the scope, limitations and supervision of, disclosures by the courts

**Civil Procedure Code, s. 104A**, on preventive orders (which provision also applies to physical documents)

**Civil Procedure Code, s. 103(4), (7), (12)**, on penalties for noncompliance

**Civil Procedure Code, s. 103(14)**, which promotes cooperation in discovery (i.e., that parties “meet, confer and agree”).

### 1.9.7 Provisional measures and interim relief

Section 170(6) of the IP Act gives the Commercial High Court in civil proceedings “the 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”.

The IP Act provides certain safeguards against the misuse of such interim measures. Under section 170(9), the Court may require the applicant to provide security to protect the opposing party and to prevent abuse of *ex parte* interim orders.

Under section 170(7), “[w]here 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”.

Under section 170(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.

#### 1.9.7.1 Interim order to identify persons involved in the production and distribution of infringing goods or services

Section 170(5) of the IP Act grants the Commercial High Court authority to issue an interim order directing the alleged infringer to provide information about the identity of any individuals involved in the production and distribution of infringing goods or services, as well as the channels of distribution used.

Such interim orders are made during the course of infringement proceedings to:

- prevent further infringement; and
- gather necessary evidence for a more comprehensive remedy in the final judgment.

#### 1.9.7.2 Interim measures to protect evidence

Under section 170(6) of the IP Act, the Commercial High Court has the power to order interim measures relating to the preservation or protection of evidence *ex parte*, where appropriate, if:

- the evidence is essential for the resolution of the case; and
- there is a demonstrable risk of the evidence being destroyed.

### 1.9.7.3 Interim injunctions

An injunction can be interim (preliminary) or permanent (final).

- **Permanent injunctions** are granted after trial and generally alongside delivery of the judgment.<sup>58</sup>
- An **interim injunction** is issued pending the final determination of the merits of the case.

The effect and objective of an interim injunction are to preserve the status quo of the subject matter of the action, to ensure that the final judgment is not rendered ineffective. Although injunctions are usually prohibitory in nature, Sri Lankan courts have also issued mandatory injunctions, which demand a positive act, in exceptional circumstances as a necessary ancillary to a prohibitory injunction.<sup>59</sup>

Sections 22(2)(a)(i) and 170(1) of the IP Act authorize the Commercial High Court to grant injunctions in civil IP infringement suits, including interim injunctions.

An injunction can be granted under section 170(1) of the IP Act to restrain a person from commencing or continuing to infringe any IP right protected under the Act, pending the final determination of the merits of the case.

Section 22(2)(a)(i) of the IP Act also authorizes the Court to issue an injunction in a suit alleging infringement of copyright or related rights. The Court may grant such an injunction to prohibit the commission of any act of infringement, or the continued commission of such acts of infringement, of any right protected under Part II of the IP Act, pending the final determination of the merits of the case.

According to section 172(4) of the IP Act, the provisions of the Judicature Act, as amended, and the Civil Procedure Code, as amended, apply to every application for an injunction made to the Court under the IP Act. Section 54 of the Judicature Act authorizes the Provincial High Courts (among others) to issue injunctions (see section 1.9.7.3.1) and sections 662–7 of the Civil Procedure Code (see section 1.9.7.3.2) set forth the applicable procedures.

Courts have interpreted and applied these provisions of the IP Act, Judicature Act and Civil Procedure Code as a basis for issuing both interim and permanent injunctions in IP disputes.<sup>60</sup>

#### 1.9.7.3.1 Judicature Act

Section 54(1) of the Judicature Act authorizes the Commercial High Court to issue an injunction if it appears:

- (a) from the plaint that the plaintiff demands and is entitled to a judgment against the defendant, restraining the commission or continuance of an act or nuisance, the commission or continuance of which would produce injury to the plaintiff; or
- (b) that the defendant during the [p]endency of the action is doing or committing or procuring or suffering to be done or committed, or threatens or is about to do or procure or suffer to be done or committed, an act or nuisance in violation of the plaintiff[']s rights in respect of the subject-matter of the action and tending to render the judgment ineffectual, or
- (c) that the defendant during the pendency of the action threatens or is about to remove or dispose of his property with intent to defraud the plaintiff,[]

the Court may, on its appearing by the affidavit of the plaintiff or any other person that sufficient grounds exist therefor, grant an injunction restraining any such defendant from—

- (i) committing or continuing any such act or nuisance;

<sup>58</sup> Judicature Act, s. 54(1)(c).

<sup>59</sup> Court of Appeal of Sri Lanka [2001]: *Pereis and another v. Perera and another* [2002] 2 Sri LR 128.

<sup>60</sup> See, e.g., Court of Appeal of Sri Lanka [1981]: *Felix Dias Bandaranayake v. The State Film Corporation and another* [1981] 2 Sri LR 287.

- (ii) doing or committing any such act or nuisance;
- (iii) removing or disposing of such property.

Under section 54(2) of the Judicature Act, injunctions are also available to the defendant in the context of a counterclaim in which affirmative judgment is sought against the plaintiff:

[A]ny defendant who shall have by his answer set up any claim in reconvention in the answer and shall thereupon demand an affirmative judgment against the plaintiff shall be deemed a plaintiff, and shall have the same right to an injunction as he would have in an action brought by him against the plaintiff for the cause of action stated in the claim in reconvention, and the plaintiff shall be deemed the defendant and the claim in reconvention the plaint.

Section 54(3) addresses the timing of injunctions:

Such injunctions may be granted at any time after the commencement of the action and before final judgment after notice to the defendant, where the object of granting an injunction will be defeated by delay, the court may enjoin the defendant until the hearing and decision of the application for an interim injunction but for periods not exceeding fourteen days at a time.

### 1.9.7.3.2 Civil Procedure Code

The Civil Procedure Code addresses, *inter alia*:

- the procedure for applying for an injunction;
- suspending, modifying, discharging and enforcing an injunction; and
- compensation for an enjoined party.

Section 662 of the Civil Procedure Code sets out the procedure for applying for injunctions. It provides that:

Every application for an injunction for any of the purposes mentioned in section 54 of the Judicature Act, No. 2 of 1978, except in cases where an injunction is prayed for in a plaint, ... [the application] shall be by petition, and shall be accompanied by an affidavit of the applicant or some other person having knowledge of the facts, containing a statement of the facts on which the application is based.

Section 664(1) of the Civil Procedure Code, as amended, provides that, before granting an injunction, the petition and the accompanying affidavit must be served on the opposing party.<sup>61</sup>

Section 664(2), as amended, allows a court to issue interim injunctions *ex parte*:

Where it appears to court that the object of granting an injunction would be defeated by delay, it may until the hearing and decision of the application for an injunction, enjoin the defendant for a period not exceeding fourteen days in the first instance, and the court may for good and sufficient reasons, which shall be recorded, extend for periods not exceeding fourteen days at a time, the operation of such order. An enjoining order made under these provisions, shall lapse upon the hearing and decision of the application for the grant of an injunction.

Section 664(3), as amended, allows the court, "of its own motion or on an application made by any party, [to] suspend the operation of an [*ex parte*] enjoining order ... , if it is satisfied that such order was obtained by suppression, or misrepresentation, of any material facts".

Section 665, as amended, provides that:

An injunction or enjoining order directed to a corporation or board or public body or company is binding not only on the corporation, board, public body, or company itself, but

61 Civil Procedure Code, ss. 664–7, as amended by the Civil Procedure Code (Amendment) Act, No. 79 of 1988, ss. 45–8.

also on all members or officers of the corporation, board, public body, or company whose personal action it seeks to restrain.

Section 666 of the Code permits the court to set aside, vary or discharge its own injunction or enjoining order on the application of any party dissatisfied with the injunction or order.

The question of whether there is a time limit or statute of limitations for an application to set aside an interim injunction under section 666 of the Civil Procedure Code was considered by the Court of Appeal in ***Gunasekera v. Archbishop of Colombo and others***.<sup>62</sup> The application for an interim injunction was supported by the plaintiff, with notice given to the defendant. Since there was no appearance on the notice returnable date, the original court issued the interim injunction. The defendant made an application to set aside the interim injunction three months after it had been granted. That court, after inquiry, vacated the interim injunction.

In response, the plaintiff contended on appeal that the defendant could not resort to section 666 three months after the granting of the injunction.

The Court of Appeal rejected the plaintiff's argument, holding as follows:

1. Section 666 of the Civil Procedure Code does not speak on the time period within which a party aggrieved by a court granting an interim injunction can seek to set aside the injunction; therefore, the court may set aside its interim injunction on application by any party dissatisfied with such order.
2. An injunction issued by a court *ex parte* must be first canvassed in the court that made that order; therefore, it was correct for the defendant to move, under section 666, to have the interim injunction set aside.

Section 663 of the Civil Procedure Code provides that, in the event of disobedience, a court may enforce an injunction or enjoining order by punishing the offender as though for contempt of court.

Section 667 permits the court, in its decree and upon application by the enjoined party, to award reasonable compensation for the expense or injury caused if it appears to the court that:

- the injunction or enjoining order was applied for on insufficient grounds or if, after its issuance, the action was dismissed or judgment was given against the applicant by default or otherwise; and
- there was no probable ground for applying for the injunction or enjoining order.

#### 1.9.7.3.3 Elements of interim injunctive relief

An interim injunction is a temporary order issued by a court to provide immediate relief until a final decision is made in the case. Interim relief is designed to prevent the frustration of the court's order if the relief prayed for in the plaint is eventually granted.<sup>63</sup>

Sri Lankan courts have developed a sequential test for assessing whether an interim injunction should be granted, as follows:

1. ***Prima facie* case/serious question to be tried** Has the plaintiff made out a strong *prima facie* case of infringement or imminent infringement of a legal right to which they have title? In other words, is there a serious question to be tried in relation to their legal rights and is it probable that they will win?
2. **Balance of convenience** In whose favor is the balance of convenience? What mischief is likely to result to the applicant if the injunction is refused? What mischief is likely to be caused to the other side if the injunction is granted?

<sup>62</sup> Court of Appeal of Sri Lanka [2004]: *Gunasekera v. Archbishop of Colombo and others* [2005] 2 Sri LR 253.

<sup>63</sup> Supreme Court of Sri Lanka [1999]: *Haji Omar v. Wickremasinghe* [1999] 1 Sri LR 82.

3. **Irreparable harm** Would the plaintiff suffer irreparable damage if the injunction were not granted?
4. **Equitable considerations** Because an injunction is an equitable relief granted at the discretion of the court: do the conduct and dealings of the parties justify granting an injunction?<sup>64</sup>

The court must answer these questions on the basis of affidavits submitted by the plaintiff and defendant. It can accept oral evidence only with the consent or acquiescence of the parties.<sup>65</sup>

**1.9.7.3.3.1 Prima facie case/serious question to be tried** The requirement that there be a “serious question to be tried” can be traced to the 1884 decision of the Court of Appeal of England and Wales in the patent dispute *Preston v. Luck* and has been detailed in multiple Sri Lankan court judgments.<sup>66</sup>

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In *Jinadasa v. Weerasinghe*,<sup>67</sup> the Supreme Court of Sri Lanka followed the reasoning in *Preston v. Luck* and held that:

1. when granting an interim injunction, a court must be satisfied that there is a serious question to be tried at the hearing; and
2. on the facts before it, there is a probability that the plaintiff is entitled to relief.

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In *Felix Dias Bandaranayake v. The State Film Corporation and another*,<sup>68</sup> the Court of Appeal of Sri Lanka equated the term “*prima facie* case” with the phrase “a serious question to be tried”.<sup>69</sup>

Soza J stated:

In Sri Lanka, we start off with a *prima facie* case. That is, the applicant for an interim injunction must show that there is a serious matter in relation to his legal rights, to be tried at the hearing and that he has a good chance of winning. It is not necessary that the plaintiff should be certain to win. It is sufficient if the probabilities are that he will win. Where however the plaintiff has established a strong *prima facie* case that he has title to the legal right claimed by him but only an arguable case that the defendant has infringed it or is about to infringe it, the injunction should not be granted. ... If the probability is that no right of the plaintiff will be violated or that he will suffer no wrong such as the law recognises then the injunction will not issue. ...The case as a whole should be taken into account and the relative strength of the cases of the plaintiff and the defendant assessed...<sup>70</sup>

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In *Richard Perera v. Albert Perera*,<sup>71</sup> the Supreme Court of Sri Lanka considered whether or not substantive questions should be decided when considering an application for an interim injunction.

The Court stated that although the trial judge should not have decided the substantive question in considering an application for an interim injunction, some consideration of the substantive question at that early stage would not necessarily be irrelevant: if the material relevant to the substantive dispute is also wholly or mainly relevant to the application for interim relief, it would be a waste of time for a court to hold two sets of proceedings involving substantially the same facts and the same questions of law.

The Supreme Court opined that where the interim injunction application and the final resolution on the merits would be decided on the same evidentiary material, the best course of action would be to hold a speedy trial and avoid duplication of the evidence.<sup>72</sup>

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<sup>64</sup> Court of Appeal of Sri Lanka [1981]: *Felix Dias Bandaranayake v. The State Film Corporation and another* [1981] 2 Sri LR 287.  
<sup>65</sup> *Ibid.*

<sup>66</sup> Court of Appeal of England and Wales [1884]: *Preston v. Luck* (1884) 27 Ch 497.

<sup>67</sup> Supreme Court of Sri Lanka [1929]: *Jinadasa v. Weerasinghe*, 1 NLR 34; Supreme Court of Sri Lanka [1963]: *Richard Perera v. Albert Perera*, 67 NLR 445.

<sup>68</sup> Court of Appeal of Sri Lanka [1981]: *Felix Dias Bandaranayake v. The State Film Corporation and another*, [1981] 2 Sri LR 287.

<sup>69</sup> *Ibid.*, at 301.

<sup>70</sup> *Ibid.*, at 302-3.

<sup>71</sup> Supreme Court of Sri Lanka [1963]: *Richard Perera v. Albert Perera*, 67 NLR 445.

<sup>72</sup> *Ibid.*, at 447-9.

In *Kumarasena v. Data Management Systems Ltd*,<sup>73</sup> the plaintiff obtained an interim injunction restraining the defendant from infringing his patent, subject to the furnishing of security. The defendant filed an application for the dissolution of the interim injunction, which the parties agreed could be had together with the trial.

During the trial, the defendant questioned the maintenance of the interim injunction and the adequacy of security ordered.

The District Judge declined to set aside the interim injunction but ordered the plaintiff to provide increased security, on the basis that the injunction had been applied for on insufficient grounds.

The plaintiff appealed the increased security order to the Court of Appeal, which held that the District Judge erred.

The Court of Appeal held that whether the injunction had been applied for on “sufficient grounds” could be determined only upon an examination of the evidence bearing upon the larger question of whether the injunction should be allowed to stand or not. In this case, the parties had agreed to have the matter taken up at trial and hence a decision could be reached only upon the conclusion of the trial. It was wrong for the District Court to have enhanced the security because it had yet to assess all of the evidence.

This last decision serves as a reminder that, in certain instances, an application for an interim injunction cannot be determined at an early stage of proceedings if the material relevant to the main dispute is also primarily relevant to the interim injunction application. This applies when both the interim injunction inquiry and the trial involve substantially the same facts and legal questions, meaning that both substantive and interim matters should be decided together.

**1.9.7.3.3.2 Balance of convenience** In considering the “balance of convenience”, a court should weigh the mischief likely to result to the applicant if the injunction is refused against the mischief likely to be caused to the other side if the injunction is granted.

In *Yakkaduwe Sri Pragnarama Thero v. Minister of Education and others*,<sup>74</sup> the Supreme Court of Sri Lanka adopted the explanation of the expression “balance of convenience” set out in *Halsbury’s Law of England* (3<sup>rd</sup> ed., vol. 51, p. 366) and held as follows:

1. In determining whether an interlocutory injunction should be granted, a court should take into consideration the balance of convenience to the parties and the nature of the injury that the defendant would suffer if the injunction were to be granted.
2. An interlocutory injunction will not be granted if there is no likelihood that the petitioner will suffer irreparable damage if the injunction is refused.
3. The test that should be applied in determining whether an interlocutory injunction should be granted is whether the inconvenience that the defendant will suffer if the injunction is granted is greater than the inconvenience that the petitioner will suffer if it is refused. The petitioner carries the burden of proof on this question.

An interim injunction will be issued to maintain the status quo in situations in which injury to the party seeking the injunction will be certain, imminent and great if the court denies their application, while the inconvenience or loss to the opposing party will be comparatively insignificant and small if it is granted.<sup>75</sup>

If there is an ongoing harm or if a continuing infringement is occurring (i.e., a continuing actionable nuisance), the general rule preventing the issuance of an injunction if damages

<sup>73</sup> Court of Appeal of Sri Lanka [1987]: *Kumarasena v. Data Management Systems Ltd* [1987] 2 Sri LR 190, 197.

<sup>74</sup> Supreme Court of Sri Lanka [1969]: *Yakkaduwe Sri Pragnarama Thero v. Minister of Education and others*, 71 NLR 506.

<sup>75</sup> High Court of the Western Province of Sri Lanka [2018]: *Diesel and Motor Engineering PLC v. Chathura Milinda Wickremasinghe and Buddika Malinda Kuruklasooriya*, Case No. HC/Civil/31/2017/IP (unreported), referring to C.M. Row, *Law of Injunctions*, 8<sup>th</sup> ed. (2013, Universal Law), p. 289.

are an adequate remedy does not apply. In such cases, an interim injunction may be the only appropriate remedy.

Section 170(1) of the IP Act, however, specifically provides that an injunction may be granted *along with* an award of damages and shall not be denied on the ground that the applicant is entitled to damages.

**1.9.7.3.3.3 Irreparable harm** The plaintiff must show that they will suffer irreparable harm if the injunction is not granted.

An irreparable injury is one that cannot be adequately remedied by monetary damages because, even if they were to be successful in the suit, such compensation would not return a plaintiff to the position in which they were before the injunction was refused.<sup>76</sup>

This may occur when the harm from the infringement is of such a nature that it cannot adequately and easily be quantified financially.

**1.9.7.3.3.4 Equitable considerations** An injunction is an equitable remedy and, as such, a court has discretion in its application. The court will consider the conduct and dealings of the parties, including any suppression, nondisclosure or misrepresentation of material facts, when considering whether to grant an interim injunction. For example, if the plaintiff waived their rights or acquiesced to the defendant's conduct, the court may deny an interim injunction – especially if the defendant incurred costs in the interim.<sup>77</sup>

A person who makes an *ex parte* application for an injunction is under an obligation to make the fullest possible disclosure of all material facts. If they do not do so, then they cannot retain any advantage that they may have already obtained.<sup>78</sup> In other words, if the applicant has acted in breach of these principles, the court should dissolve any enjoining order the applicant may have previously obtained without considering the merits of their case.<sup>79</sup>

Further, even if it does not amount to acquiescence, delay may defeat an application for an interim injunction unless the delay can be satisfactorily explained.

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In ***Holiday Inn Inc v. Anaamalai Mutthappa and others***,<sup>80</sup> an action for infringement and passing off, the Court of Appeal held that the continuous nature of the defendant's use of the Holiday Inn mark prevented any alleged delay on the part of Holiday Inn from justifying the District Judge's refusal to issue an interim injunction.

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In ***St. Regis Packaging (Pvt) Ltd v. Ceylon Paper Sacks Ltd***,<sup>81</sup> the Supreme Court held that an infringement of IP rights is a continuing act, with each act of infringement giving rise to a new cause of action. Injunctions are the only remedy available to prevent such continuing action of violation and therefore objections based on undue delay do not arise.

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76 Supreme Court of Sri Lanka [1969]: *Yakkaduwe Sri Pragnarama Thero v. Minister of Education and others*, 71 NLR 506.

77 Court of Appeal of Sri Lanka [1969]: *Ceylon Hotels Corp. v. Jayatunga*, 74 NLR 442.

78 Court of Appeal of Sri Lanka [1996]: *Walker & Sons and Co. Ltd v. Wijayasena* [1997] 1 Sri LR 293.

79 Supreme Court of Sri Lanka [1987]: *Hotel Galaxy v. Mercantile Hotels Ltd* [1987] 1 Sri LR 6.

80 Court of Appeal of Sri Lanka [1986]: *Holiday Inn Inc. v. Anaamalai Mutthappa and others*, CA No. 1355/82, 1 Cabral's IPLR 335.

81 Supreme Court of Sri Lanka [2001]: *St. Regis Packaging (Pvt.) Ltd v. Ceylon Paper Sacks Ltd* [2001] 1 Sri LR 36.

#### 1.9.7.4 Interlocutory appeal

Interim orders of the Commercial High Court may be appealed to the Supreme Court:

Any person who is dissatisfied with any order made by a High Court established by Article 154P of the Constitution ... in the course of any action, proceeding or matter to which such person is, or seeks to be, 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.<sup>82</sup>

#### 1.9.8 Pretrial conference

After the pleadings are completed, the judge shall conduct a pretrial conference with:

- the attorneys-at-law representing the parties; and
- any parties not so represented.<sup>83</sup>

The first task of the judge is to make every effort to persuade the parties to arrive at a settlement of the dispute; otherwise, the case is fixed for trial once the pretrial conference has concluded.<sup>84</sup>

The pretrial conference aims to:

- facilitate a settlement between the parties, ensuring that only the matters not so settled are fixed for trial;
- expedite the disposition of the action by means of judicial case management;
- improve the quality of the trial by means of prior preparation and case management orders, so that the action will not be protracted;
- identify the key issues at an early stage, to discourage unnecessary pretrial applications;
- facilitate the discovery of evidence;
- identify the witnesses and documents, and avoid the unnecessary production of evidence at trial; and
- fix strict time limits for pretrial orders and their enforcement.<sup>85</sup>

All pretrial applications are to be resolved and all pretrial orders made, either before or during the pretrial conference, including those concerning:

- the recording of settlements;
- referrals to mediation, conciliation or negotiation, with the consent of the parties;
- objections to pretrial inspections;
- discovery, preservation, disclosure and production applications, interrogatories into the genuineness of documents and so on;
- the recording of admissions;
- the commissioning of experts;
- the identification of witnesses and documents;
- the admissibility and authentication of physical and electronic evidence;
- the consolidation of cases;
- the determination of issues; and
- the fixing of trial dates or the period within which a trial may be concluded.<sup>86</sup>

<sup>82</sup> 1996 High Court of the Provinces (Special Provisions) Act, s. 5(2).

<sup>83</sup> Civil Procedure Code, s. 142A(1)(a), inserted by 2023 Civil Procedure Code Act, s. 19.

<sup>84</sup> Civil Procedure Code, s. 142A(2), inserted by 2023 Civil Procedure Code Act, s. 19.

<sup>85</sup> Civil Procedure Code, s. 142A(1)(a)-(g), inserted by 2023 Civil Procedure Code Act, s. 19.

<sup>86</sup> Civil Procedure Code, ss. 18, 22, 79B-C, 80, 94, 101-2, 103(2)-(14), 104, 109, 142AH.

### 1.9.9 Default of parties

Section 142H of the Civil Procedure Code, as amended, authorizes a court to make pretrial orders to address the default of parties:

Where any party—

- (a) fails to diligently take steps according to the provisions of Chapters XB and this Chapter or diligently prosecute or defend the case during the pre-trial conference or fails to comply with any pre-trial order without any reasonable ground; or
- (b) fails to appear without sufficient cause on the day fixed for the pre-trial conference or on any other day to which it is adjourned,

the Judge conducting the pre-trial conference may, taking into consideration all appropriate circumstances –

- (i) subject to the payment of costs or pre-payment of costs, make such appropriate order as he may think fit, including, directing such party to comply with the requirement which was not complied with, unless such non-compliance was substantially justified;
- (ii) continue further proceedings notwithstanding such default was made by any party who has obtained any pre-trial order, disregarding any such pre-trial order and upon such terms as to costs being awarded against such defaulting party; or
- (iii) proceed to dispose of the action in one of the methods specified in Chapter XII:

Provided that, the Judge shall make every endeavor to make orders in terms of paragraph (i) or (ii), prior to an order being made under paragraph (iii), unless a party is absent and unrepresented at the pre-trial conference.

### 1.9.10 Trial

The trial is conducted according to the final pretrial order or plan made by a court during the final stage of the pretrial conference.

The trial is conducted during the agreed trial dates or trial period as directed by the court.

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The Supreme Court in ***Ariyawathie Senadheera and another v. Shantha Senadheera and another***<sup>87</sup> reiterated the need for the plaintiff to place all relevant issues (i.e., to “frame the issues”) before the court at trial for determination.

It held that the Commercial High Court could not issue a declaration of infringement of rights under section 9 of the IP Act based solely on the fact that, when the plaintiffs pleaded their cause of action in the plaint, they claimed a cause of action to obtain such a declaration and then prayed for it in prayer (අ) of the plaint, but did not place the matter in issue at the trial: “Since the case is not tried on the pleadings, once issues are raised and accepted by the court the pleadings recede to the background.”<sup>88</sup>

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87 Supreme Court of Sri Lanka [2017]: *Ariyawathie Senadheera and another v. Shantha Senadheera and another*, Case No. SC/CHC/Appeal/40/2010 (unreported).

88 *Ibid.*, p. 14, quoting Supreme Court of Sri Lanka [1998]: *Hanaffi v. Nallama* [1998] 1 SLR 73, 77.

### 1.9.10.1 Evidence

The examination of witnesses, production of evidence at the trial and evidentiary presumptions are regulated by the Evidence Ordinance, the Civil Procedure Code and the IP Act.<sup>89</sup>

In terms of section 3 of the Evidence Ordinance, evidence can be classified as oral and documentary evidence.

“Evidence” means and includes—

- (a) all statements which the court permits or requires to be made before it by witnesses in relation to matters of fact under inquiry; such statements are called oral evidence;
- (b) all documents produced for the inspection of the court; such documents are called documentary evidence.

Section 3 of the Evidence Ordinance also provides that:

“Document” means any matter expressed or described upon any substance by means of letters, figures, or marks, or by more than one of those means, intended to be used, or which may be used, for the purpose of recording that matter.

Section 61 of the Ordinance further provides that the contents of documents may be proved by either primary or secondary evidence.

“Primary evidence” is defined at section 62 to mean that the document itself will be produced for the inspection of the court, rather than a copy.

Under section 63 of the Evidence Ordinance:

Secondary evidence means and includes—

- (1) certified copies given under the provisions hereinafter contained;
- (2) copies made from the original by mechanical process which in themselves insure the accuracy of the copy, and copies compared with such copies;
- (3) copies made from and compared with the original;
- (4) counterparts of documents as against the parties who did not execute them;
- (5) oral accounts of the contents of a document given by some person who has himself seen it.

“Real evidence” refers to physical objects or material things other than a document that are presented in court to prove a fact in a case. Real evidence is not defined in section 3 of the Evidence Ordinance. The second proviso to section 60 refers to “any material thing other than a document”: “[I]f oral evidence refers to the existence or condition of material thing other than a document, the court may, if it thinks fit, require the production of such material thing for inspection.”

“Electronic evidence” is not expressly defined in Sri Lankan law. The Committee of Ministers of the Council of Europe has defined “electronic evidence” as “any evidence derived from data contained in or produced by any device, the functioning of which depends on a software program or data stored on or transmitted over a computer system or network”.<sup>90</sup>

The Evidence (Special Provisions) Act, No. 14 of 1995, addresses the admissibility of computer-generated records, documents and statements.

The Electronic Transactions Act, No. 19 of 2006, as amended, provides for the admissibility of reliable and relevant data messages, electronic documents, electronic records or other communications. It also creates presumptions regarding authenticity and accuracy that override any contrary provisions in the Evidence Ordinance.

<sup>89</sup> Evidence Ordinance (Chap. 14), s. 135; Civil Procedure Code, ss. 121-2; IP Act, ss. 15, 85, 165, 167(1), 173(3).

<sup>90</sup> Council of Europe, Committee of Ministers, *Guidelines: Electronic Evidence in Civil and Administrative Proceedings*, adopted January 30, 2019, p. 6.

The Civil Procedure Code, as amended, specifies the procedure relating to the tender of documents, including “documents in electronic form”, inspections and discovery for the purpose of the pretrial conference.<sup>91</sup>

Section 45 of the Evidence Ordinance provides for the submission of expert evidence:

When the Court has to form an opinion as to foreign law, or of science, or art, or as to identity or genuineness of handwriting or finger impressions, palm impressions or foot impressions, the opinions of a person specially skilled in such foreign law, science, or art, or in questions as to identity or genuineness of handwriting or finger impressions, palm impressions or foot impressions, are relevant facts.

Such persons are called experts.

Witnesses are to be examined in the order provided for in the Evidence Ordinance:

1. examination-in-chief;
2. cross-examination; and
3. re-examination.<sup>92</sup>

The Civil Procedure Code, as amended, specifies, *inter alia*, the manner in which:

- examination, cross-examination and re-examination can be conducted;
- documents and witnesses may be tendered;
- evidence *de bene esse* may be admitted; and
- evidence may be taken on affidavit or on commission.<sup>93</sup>

The Civil Procedure Code further provides that a court may, on its own motion or at the request of one of the parties to the action, order that an affidavit be substituted for an oral examination-in-chief of a witness and direct the party calling such witness to tender such affidavit within one month before the date of trial, to enable the opposing party to prepare for the trial.<sup>94</sup>

When the court issues such an order, “the party responsible for tendering the affidavit shall tender such affidavit together with the documents with the proof of service of a copy of the affidavit with copies of all documents to the opposing party”.<sup>95</sup>

The affidavit evidence may be regarded as the examination-in-chief, subject to cross-examination and re-examination.

In IP disputes, the IP Act also provides guidance regarding the submission of evidence.

Section 167(1) of the IP Act states:

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.

Section 165 provides that:

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.

91 Civil Procedure Code, ss. 5, 79C, 103, 104A, 142B-142D, as inserted or amended by [Civil Procedure Code \(Amendment\) Act, No. 29 of 2023](#), ss. 2, 6, 13, 15, 19.

92 Evidence Ordinance, ss. 137-8.

93 Civil Procedure Code, as amended, ss. 151-183B.

94 Civil Procedure Code, s. 151A(1), inserted by [Civil Procedure Code \(Amendment\) Act, No. 8 of 2017](#), s. 12.

95 Civil Procedure Code, s. 151A(2), inserted by [Civil Procedure Code \(Amendment\) Act, No. 8 of 2017](#), s. 12.

The reception of evidence by affidavit, including the mode of giving evidence, was considered by the Supreme Court in *Stassen Exports Ltd v. Brooke Bond Group Ltd and two others*.<sup>96</sup>

Stassen Exports sought to remove the mark “Red Label” from the register. The essence of the dispute was whether the words “red label”, used with the “Brooke Bond” trademark, were sufficiently distinctive to prevent Stassen Exports from using the words “Red Medal” together with its own trademark.

After the admissions and issues were recorded, Stassen Exports’ affidavit was tendered in evidence under section 176 of the Civil Procedure Code. After cross-examination of its witness, Stassen Exports closed its case, reading in evidence. Brooke Bond filed no affidavit. Brooke Bond subsequently objected to the reception of evidence of certain documents produced with Stassen Exports’ affidavit on the basis that their contents were neither primary nor secondary evidence, as required by section 61 of the Evidence Ordinance, nor were they duly certified copies under sections 76 and 77.

The trial judge upheld Brooke Bond’s objection and dismissed Stassen Exports’ action.

The Supreme Court, while ordering a trial *de novo*, held that there was no legal basis for the rejection of the documents, since they were either:

- certified copies of a previous case record in accordance with sections 76 and 77 of the Evidence Ordinance and, as such, admissible; or
- true copies of documents in the custody of, entries made by or proceedings conducted in the office of, the Registrar of Patents and Trademarks, since they had been certified by the Registrar in accordance with section 174 of the Code (now section 165 of the IP Act) and such certified copies are admissible as *prima facie* evidence.

Brooke Bond’s failure to raise an objection when Stassen Exports’ case was closed could not be cured by its belated objection. It is trite law that if no objection is taken when, at the close of a case, documents are read in evidence, they are evidence for all purposes of the law.

### 1.9.11 Judgment and appeal

Under section 187 of the Civil Procedure Code, the judgment shall contain:

- a concise statement of the case;
- the points for determination;
- the decision thereon; and
- the reasons for such decision.

The opinions of the assessors (if any) shall be prefixed to the judgment.<sup>97</sup>

Chapter LIX of the Civil Procedure Code (sections 761–4) addresses matters pertaining to the execution of the decree.

Under section 5(1) of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, as amended (1996 High Court of the Provinces (Special Provisions) Act), any person who is dissatisfied with any judgment pronounced by the Commercial High Court, in the exercise of its jurisdiction under section 2, in any action, proceeding or matter to which that person is a party may appeal that judgment to the Supreme Court for any error in fact or in law.<sup>98</sup>

Under section 5(2) of that Act, any person who is dissatisfied with any order made by the Commercial High Court in the exercise of its jurisdiction under section 2 in the course of any action, proceeding or matter may appeal that order to the Supreme Court, with leave of that Court.

<sup>96</sup> Supreme Court of Sri Lanka [2007]: *Stassen Exports Ltd v. Brooke Bond Group Ltd and two others* [2010] 2 Sri LR 36.

<sup>97</sup> Civil Procedure Code, s. 187.

<sup>98</sup> 1990 High Court of the Provinces (Special Provisions) Act, s. 5C, inserted by the High Court of the Provinces (Special Provisions) (Amendment) Act, No. 54 of 2006, s. 2.

The Civil Procedure Code provides that every appeal from a final judgment shall be lodged in the Commercial High Court by:

1. giving notice of appeal to the Commercial High Court within a period of 14 days from the date on which the judgment, decree or order appealed against was pronounced; and
2. by filing a petition of appeal within 60 days from the date of the judgment or decree appealed against.<sup>99</sup>

Every appeal to the Supreme Court and every application for leave to appeal under section 5 of the 1996 High Court of the Provinces (Special Provisions) Act must follow as nearly as possible the procedure set out in Chapter LVIII of the Civil Procedure Code.<sup>100</sup>

### **1.9.12 Interaction with related criminal proceedings**

Civil and criminal infringement proceedings may be pursued for the same infringing act in the event that a claim can be made under both civil and criminal law. This may be the case in instances of counterfeiting, piracy, fraud or secondary infringement activities, such as possessing, selling or distributing infringing materials.

Civil and criminal infringement proceedings serve different purposes and are pursued in different courts, which have their own applicable laws, rules, procedures and standards of proof.

Such proceedings would normally be conducted autonomously and independently of one another. They may proceed in parallel or sequentially, without the findings in the first proceeding binding the second.

## **1.10 Criminal infringement proceedings**

A criminal infringement proceeding in respect of an offense committed under the provisions of the IP Act takes place in the Magistrate's Court.

The provisions of the Code of Criminal Procedure Act, No. 15 of 1979, apply to any offense committed under the IP Act.<sup>101</sup>

### **1.10.1 Statute of limitations**

Under section 202 of the IP Act, no prosecution under the Act can be commenced more than three years after the commission of the offense charged or two years after the prosecutor's discovery of such an offense, whichever period expires first.

In other words, under section 202 of the IP Act, the prosecution must be initiated within:

- three years from the date of commission of the offense; or
- two years after the date of discovery of the offense.

### **1.10.2 Pleadings**

Proceedings can commence either through a written report or complaint made by any person either orally or in writing.

Private complaints submitted orally must be recorded by the magistrate and read to the complainant, to confirm that they have been accurately recorded. A written private complaint must be drawn and countersigned by a pleader and signed by the complainant.<sup>102</sup>

<sup>99</sup> Civil Procedure Code, ss. 754(2) and (4), 755(3).

<sup>100</sup> 1996 High Court of the Provinces (Special Provisions) Act, s. 6.

<sup>101</sup> IP Act, s. 201.

<sup>102</sup> Code of Criminal Procedure Act, No. 15 of 1979, s. 136(1)(a)-(b).

A police plaint must be in writing and signed by a police officer.<sup>103</sup> Although not expressly provided for, a police plaint generally includes a charge sheet and a list of witnesses and productions to support the case.

### 1.10.3 Standing

The IP owner has standing to initiate a criminal prosecution in the Magistrates' Courts.

The IP owner, including a foreign national, may represent themselves in a criminal proceeding.<sup>104</sup> They may prefer, however, to authorize an attorney-at-law practicing in Sri Lanka to represent them by filing a letter of authority with the court. Alternatively, they may grant a power of attorney to an agent to represent them in Sri Lanka.<sup>105</sup> The agent may not represent the IP owner in court, but the agent may appoint an attorney-at-law practicing in Sri Lanka to represent the IP owner in the criminal proceeding.

A police officer who receives a complaint that an offense under the IP Act has been committed and reports it to the Magistrate's Court has standing as the complainant to initiate criminal prosecution in the Magistrate's Court.<sup>106</sup>

The person alleged to have committed an offense under the provisions of the IP Act is known as the accused. If an offense is alleged against a corporate body, every person who, at the time of the commission of the offense, was a director, general, manager, secretary or other similar officer of that body is an accused.<sup>107</sup>

### 1.10.4 Summons

Section 197(1)(a) of the IP Act provides that, upon receipt of information that an IP offense has been committed, the magistrate may issue either:

- a summons requiring the accused to appear and show cause; or
- where such person fails to appear, a warrant for their arrest.

When the proceedings have been instituted under either section 136(1)(a) of the Code of Criminal Procedure Act (i.e., as a private plaint) or section 136(1)(b) of the Code of Criminal Procedure Act (i.e., as a police plaint), before issuing a summons the magistrate must form an opinion as to whether there is sufficient ground for proceeding against any person named as the accused who is not in custody.<sup>108</sup>

Section 139(1) of the Code of Criminal Procedure Act provides that:

- (a) if the case appears to be one in which according to the fourth column of the First Schedule a summons should issue in the first instance, [the magistrate] shall, subject to the provisions of section 63, issue a summons for the attendance of such person;
- (b) if the case appears to be one in which according to that column a warrant should issue in the first instance, he shall issue a warrant for causing such person to be brought or to appear before the court at a certain time:

Provided that -

- (i) the Magistrate may in any case, if he thinks fit, issue a summons in the first instance instead of a warrant;
- (ii) in any case under paragraph (a) or paragraph (b) of section 136 (1), the Magistrate shall, before issuing a warrant, and may, before issuing a summons, examine on oath the complainant or some material witness or witnesses...

<sup>103</sup> Code of Criminal Procedure Act, s. 136(1)(b).

<sup>104</sup> Constitution, art. 13(3); Code of Criminal Procedure Act, ss. 160-1.

<sup>105</sup> Powers of Attorney Ordinance, s. 2(b).

<sup>106</sup> Code of Criminal Procedure Act, s. 136(1)(b).

<sup>107</sup> IP Act, s. 187.

<sup>108</sup> Code of Criminal Procedure Act, s. 139.

Before issuing a summons under section 139(1), the magistrate must take certain considerations into account.

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The Court of Appeal's explanation of these considerations in ***Maline Guneratne v. Abeysinghe and another***<sup>109</sup> can be summarized thus:

1. Section 139(1) of the Code of Criminal Procedure Act requires a magistrate to form an opinion as to whether there is sufficient ground for proceeding against some person who is not in custody.
2. The opinion to be formed should relate to the offense that is alleged in the complaint or plaint filed under section 136(1).
3. The words "sufficient ground" embrace both the ingredients of the offense and the evidence of its commission.
4. The use of the word "opinion" does not make the action of the magistrate a purely subjective exercise.
5. The opinion has to be formed on verifiable material that is adduced before the magistrate, which material should be assessed objectively.
6. Since the opinion relates to the existence of sufficient ground for proceeding against the accused, the material acted upon by the magistrate should withstand an objective assessment.
7. The proper test is to ascertain whether, on the basis of the material before the court, there is sufficient *prima facie* ground on which it may be reasonably inferred that the person accused has committed the offense alleged in the complaint or plaint.<sup>110</sup>

The Court of Appeal stated that though the magistrate had required the complainant to give evidence and recorded the evidence of the complainant, he issued a summons on the basis of extraneous considerations and he failed to apply the proper test.

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In ***Iddagoda v. Magistrate of Colombo and another***,<sup>111</sup> the petitioner argued that the magistrate did not consider the ingredients of the offense in the context of the material that was before him, such as the affidavits, a list of witnesses and documents and the charge sheet; therefore, his decision to issue summons was illegal and unreasonable.

The Court of Appeal agreed, finding that the magistrate had not considered the ingredients of the offense with which the petitioner had been charged nor had he considered the whole of the material placed before him to ascertain if it supported the charge.

On this basis, the Court of Appeal stated, *inter alia*, that the magistrate acted in breach of the obligation cast on him by section 139 of the Code of Criminal Procedure Act to issue a summons only where he was of the opinion that there was sufficient ground to proceed against the petitioner in respect of the offense specified in the charge sheet.

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### 1.10.5 Arrest warrant

Ordinarily, a summons will be issued in the first instance. If a warrant is sought, the associated provisions of the Code of Criminal Procedure Act apply.<sup>112</sup>

The party applying for a warrant must adduce sufficient grounds for the issuance in the first instance of a warrant rather than a summons (e.g., that, if a summons is issued first, the accused may have time to flee the country, or to destroy or hide critical evidence before authorities can act, which may allow them to escape prosecution).<sup>113</sup>

<sup>109</sup> Court of Appeal of Sri Lanka [1994]: *Maline Guneratne v. Abeysinghe and another* [1994] 3 Sri LR 196.

<sup>110</sup> *Ibid.*, at 199–200.

<sup>111</sup> Court of Appeal of Sri Lanka [2021]: *Iddagoda v. Magistrate of Colombo and another* [2021] 2 Sri LR 257.

<sup>112</sup> Code of Criminal Procedure Act, s. 139.

<sup>113</sup> Code of Criminal Procedure Act, s. 139(1)(b).

The magistrate shall, before issuing a warrant, examine the complainant or material witness(es) *on oath* to establish that:

- the accused has committed an offense; and
- a warrant should be issued in the first instance rather than a summons.<sup>114</sup>

If a summoned person fails to appear, the magistrate may issue a warrant for their arrest.<sup>115</sup>

### 1.10.6 Search and seizure

As stated in section 197(1)(b) of the IP Act, if satisfied with the 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”, the magistrate may issue a warrant to search for and seize such goods or things.

Section 197(1)(b) of the IP Act requires that, before the issuance of a search warrant:

- sufficient information must be adduced on oath before the court;
- the magistrate must record such evidence; and
- the magistrate must assess such material objectively.

Reasons for issuing a search warrant may include, for example, the prevention of evidence tampering or destruction, of further harm and of a continuation or expansion of illegal activities.

Any police officer or other person named or referred to in the warrant can execute the warrant at any reasonable time of the day. Any goods or things seized are to be brought before the Magistrate’s Court to determine whether they are liable to forfeiture.<sup>116</sup>

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The availability of search orders under section 170(6) of the IP Act was considered by the Commercial High Court in ***Alumex (Pvt) Ltd and others v. Asian Hardware (Pvt) Ltd***.<sup>117</sup>

In their prayer, the plaintiff sought an interim order directing the Registrar to seize and take into court custody counterfeit aluminum products from the defendant’s shop and adjoining warehouse.

Although reference was made to an *Anton Pillar* order (now, search order) in paragraph 48 of the plaint, the interim order sought was based on its paragraphs 44–47, in which the plaintiff pleaded that if the interim order were not issued, there would be a demonstrable risk of evidence being destroyed.

The Commercial High Court issued the interim order as prayed for, but it did not refer in the order to section 170(6) of the IP Act.

The Registrar executed the order and the defendant, who received notice of the interim order, objected to its issuance on five jurisdictional grounds, including:

- the doctrine of privilege against self-incrimination;
- that the IP Act did not provide for the grant of search orders;
- that the power given to courts under section 170(6) could not be construed to confer authority to allow anyone to enter the premises of the defendant and carry out a search; and
- that, although section 197(1)(c) of the Act vests a magistrate with the jurisdiction to issue search warrants, no such powers are granted to the Commercial High Court.

<sup>114</sup> Code of Criminal Procedure Act, s. 139(1)(b) and proviso (ii).

<sup>115</sup> IP Act, s. 197(1)(a).

<sup>116</sup> IP Act, s. 197(1)(c). See also Code of Criminal Procedure Act, s. 70, in respect of search warrants.

<sup>117</sup> High Court of the Western Province of Sri Lanka [2004]: *Alumex (Pvt) Ltd and others v. Asian Hardware (Pvt) Ltd*, Case No. HC/Civil/18/2004(3) (unreported).

The Commercial High Court, while holding that it had jurisdiction to issue the interim order in question under section 170(6) of the IP Act, held as follows:

1. The relief prayed for in the plaint did not refer to a search order and did not possess the essential characteristics of a search order.
2. The interim order issued resembled a search warrant, intended to be executed by the Court itself in the form of its Registrar.
3. While section 197(1)(c) of the IP Act limits the magistrate's powers in issuing processes similar to search warrants, section 170(6) grants broader powers and discretion to the judge to issue appropriate interim orders.
4. An interim order under section 170(6) is meant to prevent the defendant from frustrating the course of justice through various means, particularly in situations in which delay could cause irreparable harm to the rights holder or there is a demonstrable risk of evidence destruction.
5. It was unnecessary for the legislature to explicitly exclude the doctrine of self-incrimination in cases involving the infringement of IP rights. In enacting sections 170(6) and 197(1), the legislature implicitly excluded the privilege against self-incrimination in matters concerning IP rights infringement.

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### 1.10.7 Arraignment and bail

All offenses under the IP Act are cognizable and bailable within the meaning of the Code of Criminal Procedure Act.<sup>118</sup>

Because the IP Act contains no specific provisions on bail, the provisions of the Bail Act, No. 30 of 1997, in which the granting of bail is the rule and the refusal to grant bail is the exception, apply.<sup>119</sup>

### 1.10.8 Pretrial process

When the accused appears, the magistrate reads to them and explains the charge sheet, and records their plea.<sup>120</sup>

- If the accused pleads *guilty* to the charge, the court records the plea and proceeds to sentencing.<sup>121</sup>
- If the accused pleads *not guilty* to the charge, the court records the plea and fixes the case for trial.<sup>122</sup>

### 1.10.9 Trial

The trial in a Magistrate's Court is conducted in accordance with sections 182–91 of the Code of Criminal Procedure Act.

#### 1.10.9.1 Evidence

At trial, magistrates are to "take all such evidence as may be produced for the prosecution and defense respectively".<sup>123</sup>

The accused should be permitted to cross-examine all witnesses called for the prosecution and called or recalled by the magistrate.<sup>124</sup>

The complainant and accused, or their pleaders, will be entitled to open their respective cases at the trial.<sup>125</sup>

118 IP Act, s. 201.

119 Bail Act, No. 30 of 1997, s. 2.

120 Code of Criminal Procedure Act, s. 182(2).

121 Code of Criminal Procedure Act, s. 183(1).

122 Code of Criminal Procedure Act, s. 183(2).

123 Code of Criminal Procedure Act, s. 184(1).

124 Code of Criminal Procedure Act, s. 184(2).

125 Code of Criminal Procedure Act, s. 184(3).

The complainant or their pleader will *not* be entitled to make any observations in reply upon the evidence given by or on behalf of the accused.<sup>126</sup>

Section 195 of the IP Act also sets out certain rules relating to criminal offenses:

- (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.

#### 1.10.10 Judgment and appeal

If the magistrate – after considering the evidence for the prosecution and defense, and any such further evidence as they may of their own motion cause to be produced – finds the accused *not guilty*, they shall record a verdict of acquittal.<sup>127</sup>

If the magistrate finds the accused *guilty*, they shall record a verdict of guilty and pass sentence accordingly.<sup>128</sup>

Generally, any person dissatisfied with any judgment or final order pronounced by any Magistrate’s Court may appeal to the appropriate Provincial High Court, established by article 154P of the Constitution to exercise appellate and revisionary jurisdiction over such judgments or orders. They must do so by lodging with the Magistrate’s Court, within 14 days of the date of the judgment or order, a petition of appeal addressed to the Provincial High Court.<sup>129</sup>

In the event that an accused has made an unqualified admission of guilt, they cannot appeal their conviction – although they can appeal the sentence passed by the magistrate.<sup>130</sup>

In the event that an accused has been acquitted, no appeal can be brought – except at the instance, or with the written sanction, of the Attorney-General.<sup>131</sup>

When the appeal has been preferred, the magistrate will order the release of any appellant in custody on their entering into a recognizance in such sum as the court may direct, with or without a surety or sureties, and the court shall also direct the appellant to abide the judgment of the higher court.<sup>132</sup>

On the appellant’s application, the court may permit security other than entering into a recognizance and, upon receiving such security, release the appellant on bail.<sup>133</sup>

Taking into consideration the gravity of the offense and the appellant’s past behavior, the magistrate may nevertheless refuse to release them on bail.<sup>134</sup>

Subject to the provisions of the High Court of the Provinces (Special Provisions) Act, No. 19 of 1990 (the 1990 High Court of the Provinces (Special Provisions) Act), or any other law, any party dissatisfied with any final order, judgment, decree or sentence made by the Provincial High Court in the exercise of its appellate jurisdiction may appeal to the Supreme Court, with leave of the Provincial High Court or, where such leave is refused, special leave of the Supreme Court.<sup>135</sup>

With respect to any final order, judgment or sentence made by a Provincial High Court exercising its *revisionary* jurisdiction under article 154P(3)(b) of the Constitution, an appeal may

126 *Ibid.*

127 Code of Criminal Procedure Act, s. 185.

128 *Ibid.*

129 1990 High Court of the Provinces (Special Provisions) Act, s. 4.

130 Code of Criminal Procedure Act, s. 317(1)(b).

131 Code of Criminal Procedure Act, s. 318.

132 Code of Criminal Procedure Act, s. 323.

133 *Ibid.*

134 Bail Act, s. 19(2).

135 1990 High Court of the Provinces (Special Provisions) Act, s. 9(a).

lie to the Court of Appeal in the exercise of its jurisdiction under article 138, read together with article 154P(6) of the Constitution (see [section 1.2.2.2](#)).

## 1.11 Remedies

What follows are the remedies broadly available in the event of IP infringement in Sri Lanka.

See also Chapter 4 of the first volume in this series, *Introduction to the International Legal Framework for Intellectual Property*, for more on remedies more generally.

### 1.11.1 Civil remedies

In the event of a civil infringement of IP rights, various remedies are available to the right holder to counter acts by individuals, entities and organizations.

Sections 22(1) and 170(1) of the IP Act offer the following three civil remedies:

- injunctions;
- damages; and
- such other relief as the Commercial High Court may deem just and equitable, including disposal or destruction of infringing goods and the materials and implements used to create them.

Section 170(4) instructs the Court to balance the seriousness of the infringement with the remedies ordered and to take into consideration the interests of third parties.

#### 1.11.1.1 Injunctions

A permanent injunction is a final court order that prohibits the infringer from committing, continuing to commit or threatening to commit acts infringing on any right protected under the IP Act. Sri Lankan courts have also issued mandatory injunctions, which demand a positive act, in exceptional circumstances as a necessary ancillary to a prohibitory injunction.<sup>136</sup>

Permanent injunctions are granted after trial, concurrently with the delivery of the judgment. Section 54(3) of the Judicature Act does not authorize the issuance of injunctions after the final judgment has been pronounced.

Once a permanent injunction has been granted, it remains in effect indefinitely unless discharged, varied, modified or set aside by an appellate court.

Sections 22(1)–(2) and 170(1) of the IP Act authorize the Commercial High Court to issue injunctions, including permanent injunctions.

Injunctions can be granted under section 170(1) of the IP Act if the Court is satisfied that any person is threatening to infringe, has infringed or is performing acts that make it likely that they will infringe any recognized IP right:

Where a person to whom any recognised rights granted under this Act, proves to the [sa]tisfaction of the Court that any person is threatening to infringe or has infringed his rights or is performing acts which make[] 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. ...

A final injunction may be granted along with damages. Moreover, an injunction cannot be denied solely on the grounds that the applicant is entitled to damages.<sup>137</sup>

<sup>136</sup> Court of Appeal of Sri Lanka [2001]: *Pereis and another v. Perera and another* [2002] 2 Sri LR 128.

<sup>137</sup> IP Act, s. 170(1).

Section 22(1) of the IP Act provides an additional basis on which a court may issue an injunction to protect copyright or related rights from infringement:

Any person who infringes or is about to infringe any of the rights protected under this Part [i.e., copyright and related rights] 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.

Section 22(2)(a)(i) states that the court has powers and jurisdiction “to grant such injunctions to prohibit the commission of any act of, infringement or the continued commission of such acts of infringing[e]ment of any right protected under this Part [i.e., copyright and related rights]”.

According to section 172(4) of the IP Act, the provisions of the Judicature Act, as amended, and the Civil Procedure Code, as amended, apply to every application for an injunction made to a court under the IP Act. Section 54 of the Judicature Act (see [section 1.9.7.3.1](#)) authorizes the High Courts (among others) to issue injunctions and sections 662–667 of the Civil Procedure Code (see [section 1.9.7.3.2](#)) set forth the applicable procedures.

Courts have interpreted and applied these provisions of the IP Act, Judicature Act and Civil Procedure Code as a basis for issuing permanent injunctions in IP disputes.

#### 1.11.1.1.1 Elements of permanent injunctive relief

A permanent injunction is issued *after* a final judgment is made in a case. It provides long-term relief, and it is usually granted once the court has fully examined the facts and legal arguments.

When a party seeks a final injunction, the court considers the following elements to determine whether it should be granted.

- **Balance of convenience/hardships** The court will weigh the harm to the plaintiff if the injunction is not granted against the harm to the defendant if the injunction is granted. The plaintiff must show that the harm they will suffer outweighs any hardship or harm the defendant might experience should they be prohibited from continuing their actions. (For further discussion in the context of interim injunctions in civil cases, see [section 1.9.7.3.3.2](#).)
- **Irreparable harm** The plaintiff must show that they will suffer irreparable harm if the injunction is not granted. This means that the infringement is of such a nature that it cannot be adequately quantified financially and compensated with monetary damages.
- **Inadequacy or absence of other remedies** The plaintiff must show that monetary damages or other legal remedies would be insufficient to compensate the harm caused by the defendant’s actions. The general rule that an injunction may not be granted if damages would provide an adequate remedy does not apply where the infringement or harm are ongoing.
- **Equitable considerations** A final injunction is an equitable remedy and, as such, the court has discretion in its application. The court will consider the conduct of the parties, including any suppression or nondisclosure of material facts. (For further discussion in the context of interim injunctions in civil cases, see [section 1.9.7.3.3.4](#).)

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In *Michael Laurents Cyrille Caderamanpulle v. Ceylon Paper Sacks Ltd*,<sup>138</sup> after a full trial, the Commercial High Court issued in its judgment a permanent injunction restraining the defendant – whether personally, through agents or by any other means, directly or indirectly – from exploiting Patent No. 11765 (entitled “RIGID T SACK”) or in any other manner infringing the patent, as prayed for in paragraph (c) of the prayer to the plaint.

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138 High Court of the Western Province of Sri Lanka [2011]: *Michael Laurents Cyrille Caderamanpulle v. Ceylon Paper Sacks Ltd*, Case No. HC/Civil/04/2001/03 (unreported).

### 1.11.1.1.2 Application for injunctive relief by licensee or at the request of licensee

Section 171 of the IP Act allows a licensee – in the absence of any provision to the contrary in the licensing agreement – to apply for an injunction in their own name in the event that the right owner fails to do so following their request.<sup>139</sup>

Section 171 provides as follows:

1. A licensee may request that the registered owner of the industrial design, patent, trademark or any other matter provided for by the IP Act apply for an injunction.<sup>140</sup>

The licensee must:

- (a) indicate to the owner the threatened infringement, infringement or acts being performed in relation to such infringement; and
  - (b) specify the relief sought under the Act.<sup>141</sup>
2. If the owner refuses or fails to apply for an injunction within three months of receiving such a request, the licensee may apply for an injunction in their own name, giving notice to the registered owner, who may join in the proceedings.<sup>142</sup>

On the application of the licensee and before the end of the three-month period, however, the Commercial High Court may grant an injunction if the licensee proves that immediate action is necessary to avoid substantial damage.<sup>143</sup>

Once the Court is assured that the licensee has standing to pursue their application for an injunction, it will assess the application by considering the same elements had the application been made by the owner under sections 170(1) or 22(1) (see [section 1.11.1.1.1](#)).

### 1.11.1.2 Damages

#### 1.11.1.2.1 Damages for the infringement of any recognized intellectual property right

Section 170(1) of the IP Act authorizes the Commercial High Court to award damages in addition to injunctive relief for infringement. The Court can also order other remedies as it deems fit.

**1.11.1.2.1.1 Actual damages** Section 170(3)(a)(i) of the IP Act empowers the Court to order the infringer to pay the right holder such damages as are adequate to compensate the latter for the loss suffered by reason of the former's act of infringement. These damages are additional to the recovery of profits and are considered proved actual damages.

"Actual damages" refers to the real and quantifiable harm the plaintiff has suffered because of the infringement of their IP rights. The purpose of actual damages is to compensate the plaintiff for the actual loss they have incurred as a result of the infringement.

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In ***Ceylon Tobacco Co. PLC v. Tharun Sameera Indika Silva and another***,<sup>144</sup> the Commercial High Court stated that the burden of proof is on the plaintiff who claimed actual damages and that mere speculation as to the quantum of damage in rupees will not suffice. Proving actual damages requires evidence of specific loss suffered by the plaintiff as a result of the infringement, which will include financial records, sales data or other evidence showing the actual harm caused.

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<sup>139</sup> The IP Act does not entitle a licensee to initiate an action for damages. A licensee who has suffered losses from an infringement may initiate an action for damages if their license so provides, with notice to the registered owner, who may join the proceedings.

<sup>140</sup> IP Act, s. 171(a).

<sup>141</sup> IP Act, s. 171(a), proviso.

<sup>142</sup> IP Act, s. 171(b).

<sup>143</sup> IP Act, s. 171(b), proviso.

<sup>144</sup> High Court of the Western Province of Sri Lanka [2013]: *Ceylon Tobacco Co. PLC v. Tharun Sameera Indika Silva and another*, Case No. HC/Civil/25/2009/IP (unreported).

Actual damages may include:

- economic or financial losses, such as the lost profits that the plaintiff would have earned had the infringement not occurred, including lost sales, lost market share or a reduction in the value of the intellectual property;
- actual profits that the defendant has gained as a result of their infringement of the plaintiff's IP rights; and
- additional or consequential damages resulting from the defendant's action, such as loss of business or harm to the plaintiff's goodwill or reputation.

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In *Gallage Niranjana Pradeep Anuruddha Peiris and others v. K. Indika Dilan Perera and another*,<sup>145</sup> an action related to unfair competition, the Commercial High Court stated that the following factors can be considered in calculating damages:

- the amount of profits lost by the owner;
  - any diminution in value of the protected work;
  - reasonable royalties;
  - the value of the use of protected material; and
  - injury to the owner's goodwill.
- 

In general, actual damages may be calculated in a variety of ways, including as follows:

- **Lost profits** "Lost profits" refers to the actual profits that the IP owner lost as a result of competing sales of the defendant's infringing goods or services. For example, if the infringement caused the IP owner to lower their price (e.g., in competition with the infringer), damages could include the revenue lost as a result. Lost profits may also include lost direct sales of the infringed product and lost ancillary sales related or supplementary to the primary IP asset, such as sales of merchandise, licenses and spinoffs.

When ascertaining the claimant's lost profits, the courts in the United Kingdom apply the following principles.

- The infringement(s) must have been the factual cause of the losses.
- The losses must have been foreseeable at the time of the infringement(s).
- The infringement(s) must have been the proximate or substantial cause(s) of the losses.<sup>146</sup>

Generally, the courts in the United States use the incremental income method to calculate lost profits, whereby the forgone gross profit is reduced by the incremental cost of making the sale.<sup>147</sup>

The calculation may consider the difference between the actual profits made and the profits that would have been made had there been no infringement.<sup>148</sup>

- **Lost licensing income and reasonable royalty** If the claimant has a history of regularly licensing the IP right, actual damages may alternatively be calculated in the form of lost royalties. The Court may use the licensor's established royalty rate, adjusted as needed in light of market factors or competitive conditions, to calculate the royalties the claimant would have earned if not for the infringement.

If it is difficult to determine actual losses on the basis of lost profits, lost royalties or the infringer's profits (see next point), the Court may use the reasonable royalty method to

<sup>145</sup> High Court of the Western Province of Sri Lanka [2019]: *Gallage Niranjana Pradeep Anuruddha Peiris and others v. K. Indika Dilan Perera and another*, Case No. HC/Civil/16/2016/IP (unreported).

<sup>146</sup> Richard Arnold LJ, *The Calculation of Damages for IP Infringements: Current Practice in the United Kingdom*, WIPO/Hungarian Intellectual Property Office regional webinar (February 28, 2023), available at [www.wipo.int/edocs/mdocs/mdocs/en/wipo\\_webinar\\_tdc\\_2023\\_1/wipo\\_webinar\\_tdc\\_2023\\_1\\_www\\_603253.pdf](http://www.wipo.int/edocs/mdocs/mdocs/en/wipo_webinar_tdc_2023_1/wipo_webinar_tdc_2023_1_www_603253.pdf).

<sup>147</sup> U.S. Court of Appeals for the Federal Circuit [1984]: *Paper Converting Machine Co. v. Magna-Graphics Corp.*, 745 F.2d 11.

<sup>148</sup> See, e.g., U.S. Court of Appeals for the Sixth Circuit [1978]: *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152; U.S. Court of Appeals for the Federal Circuit [2017]: *Mentor Graphics Corp. v. EVE-USA, Inc.*, 851 F.3d 1275.

calculate damages. A reasonable royalty is an estimate of the amount the infringer would hypothetically have paid the claimant for a license to use the IP right had both parties been willing to enter into negotiations.<sup>149</sup>

In determining a reasonable royalty in patent infringement cases, the courts in the United States examine such factors as:

- the nature of the patent;
- market conditions;
- the royalty received by the patentee;
- the duration of the patent and the term of the license;
- the commercial success of the invention;
- commercial relationships;
- the licensor's established royalty rates;
- the profitability of the product made under the patent; and
- the ability of the defendant to manufacture and sell products that use the patented technology.<sup>150</sup>

This approach may be instructive for Sri Lankan courts.

When ascertaining a reasonable royalty, the following principles have been applied by courts in the United Kingdom.

- The royalty must reflect the infringing acts that the defendant actually committed.
- The royalty must reflect the value of the IP right to the defendant while disregarding personal characteristics of the defendant, such as poverty.
- It is irrelevant that neither party would have been prepared to agree to a license.
- If comparable licenses have been entered into by the claimant or the defendant, they may be used as a guide.
- If there are no comparable licenses, a common approach is to apportion between the parties the profits available to the defendant from the infringing activity.<sup>151</sup>

This approach too may be instructive for Sri Lankan courts.

**1.11.1.2.1.2 Recovery of profits** In addition to damages based upon the actual loss suffered by the plaintiff, section 170(3) of the IP Act allows the Court to order, as part of a broader damages claim or settlement, the recovery of profits made by the infringer as a result of the unauthorized use of the intellectual property.

To recover profits, the plaintiff must demonstrate that the defendant gained financially as a direct result of their infringement. The plaintiff is not, however, entitled to profits that the defendant can prove were not attributable to the infringing acts proven by the plaintiff.

Key information regarding the defendant's profits from the infringement may be uniquely in the defendant's possession. For this reason, the Court may consider imposing some form of oversight, such as requiring the defendant to maintain and submit financial records, to report periodically and to disclose the profits associated with the goods or services related to the alleged infringement, where the plaintiff has made out a strong *prima facie* case for infringement. An order for accounting of profits will ensure that the defendant's profits from the wrongful conduct are properly recorded, preserved and ultimately made available for recovery by the plaintiff.

The defendant may also be ordered to provide security against any potential judgment. This will prevent the defendant from using or disposing of any profits that they may have earned from wrongful activity until the conclusion of the case.

149 Supreme Court of the United States [1853]: *Seymour v. McCormick*, 57 U.S. 480.

150 U.S. District Court for the Southern District of New York [1970]: *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116.

151 Arnold, *Calculation of Damages* (n. 146).

If it can be demonstrated that the defendant profited from its infringing conduct, the Court must determine how much profit they made as a result of using the infringed IP right.

In calculating the amount recoverable, the Court must first identify the products or services involved in the infringement and then determine the period during which the infringement occurred. The Court will then identify the revenue attributable to the infringing activity (excluding noninfringing activity). The Court may deduct allowable direct costs (i.e., manufacturing, packaging and distribution expenses, as well as salaries or wages directly linked to the infringing activity) to calculate the net profit due to the plaintiff.

**1.11.1.2.1.3 Statutory damages** Instead of claiming actual proved damages, the claimant can elect to recover statutory damages of no less than LKR 50,000 and no more than LKR 1 million, at the Court's discretion.<sup>152</sup>

"Statutory damages" refer to damages recognized by the IP Act. They may be preferred in cases of infringement in which actual damages are difficult to prove or quantify. Unlike actual damages, statutory damages are not directly tied to the plaintiff's actual loss and can be awarded regardless of the actual harm caused.

Statutory damages are at the plaintiff's election, even without proof of any actual damages, and such election can be made at any time before the final judgment is delivered.<sup>153</sup>

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In *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*,<sup>154</sup> the plaintiff claimed actual damages of LKR 8 million for the infringement of his IP rights. During the course of the trial, he restricted his losses to statutory damages under section 170(10) of the IP Act instead and raised an additional issue to that effect. The Commercial High Court allowed the issue.

In calculating the statutory damages, the Court also considered an admission by the defendant that:

- he produced in cassette and CD format an audio album containing several songs, including the song in question; and
- he distributed 500–1,000 such cassettes and 500–1,000 such CDs.
- Each cassette had been priced at LKR 130 and each CD, at LKR 200.

The Court stated that the defendant, from his own evidence, would have collected at least a sum of LKR 130,000 (i.e., 1,000 × LKR 130) from the sale of the cassettes and a sum of LKR 200,000 (i.e., 1,000 × LKR 200) from the sale of the CDs.

The Court granted statutory damages of LKR 500,000.

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#### 1.11.1.2.2 Damages for infringement of copyright and related rights

In an action for an infringement, the owner of copyright or related rights is entitled to claim damages under sections 170(1) or 22(1) of the IP Act.

Section 22(1) and (2)(b) of the IP Act provide that, in addition to the grant of an injunction, the infringer of copyright or related rights is liable for damages for the loss the right owner has suffered as a consequence of the act of infringement (actual loss).

Under section 22(2)(b), the quantum of damages is to 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.

<sup>152</sup> IP Act, s. 170(10).

<sup>153</sup> *Ibid.*

<sup>154</sup> High Court of the Western Province of Sri Lanka [2019]: *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*, Case No. HC/Civil/07/2010/IP (unreported).

The same section provides that if the infringer did not know or had no reasonable cause to know that they were engaged in infringing activity, the Commercial High Court may limit damages to:

- those of their profits that are attributable to the infringement; or
- statutory (pre-established) damages.

#### 1.11.1.3 Account of profits

Account of profits is a discretionary equitable remedy that seeks to disgorge the defendant of any profits made through the unauthorized use of a plaintiff's intellectual property by awarding those profits to the plaintiff. It is an alternative to compensatory damages that focuses not on compensating the plaintiff for their losses but on restitution and preventing the unjust enrichment of the wrongdoer.

Section 170(3) of the IP Act empowers the Commercial High Court to order both compensatory damages and recovery of profits. There should thus be no need for – or advantage to – a plaintiff who has filed an infringement action under section 170(1) seeking the alternative equitable remedy of account of profits, since the plaintiff can obtain the equivalent or superior relief through the statutory remedies provided for under section 170(3).

An account of profits may be an appropriate remedy for claims made under common law causes of action such as passing off (see section 2.7.3), where statutory remedies under section 170(3) are unavailable, or unfair competition.

Section 160(7) relates to remedies in actions for unfair competition. It permits an aggrieved party to seek an injunction to prohibit the continuation of the unfair act or practice and “damages for losses suffered as a result of such act or practice”. Notably, recovery of profits is not expressly provided as a remedy under section 160(7), unlike section 170(3).

Section 160(7) nevertheless states that the provisions of Chapter XXXV relating to infringement shall apply, *mutatis mutandis*, to unfair competition proceedings. It is not clear whether, on this basis, section 170 and the remedies provided for therein (including recovery of profits) should be adapted and applied in unfair competition cases, where appropriate.

Should the Court find that statutory recovery of profits under section 170(3) is unavailable in a particular case, it may consider awarding the equitable remedy of account of profits, subject to the general principles governing this remedy, as an alternative to compensatory damages if the facts justify such relief and the plaintiff so requests.

A plaintiff for whom recovery of profits is unavailable under section 170(3) may opt for an account of profits instead of compensatory damages where the defendant's gains are substantial and may exceed the plaintiff's demonstrable losses. This remedy may also be preferable for a plaintiff more interested in preventing the defendant's unjust enrichment – and gaining access to the defendant's financial information, which would otherwise remain inaccessible – than in obtaining compensation.

#### 1.11.1.4 Costs

Section 22(2)(b) of the IP Act expressly authorizes the Court to award expenses caused by an infringement, including legal costs, to the owner of a copyright or related right.

Costs may also be awarded in disputes involving the infringement of other IP rights. Section 170(1) of the IP Act entitles the Court to grant “such other relief as the Court may deem just and equitable”.

The provisions of Chapter XXI of the Civil Procedure Code (sections 208–16) address the matter of costs in the Commercial High Court.

Section 209 of the Code affords the Court discretion to order an infringing party to pay costs:

When disposing of any application or action under this Ordinance, whether of regular or of summary procedure, the court may, unless elsewhere in this Ordinance otherwise directed, give to either party, the costs of such application or action, or may reserve the consideration of such costs for any future stage of the proceedings...

The types of cost that may be awarded are set out in section 208:

Under the denomination of costs are included the whole of the expenses necessarily incurred by either party on account of the action and in enforcing the decree passed therein, such as the expense of stamps, of summoning the defendants and witnesses, and of other processes, or of procuring copies of documents, fees and charges of counsel and registered attorneys, such just and reasonable charges as appear to have been properly incurred in procuring evidence and the attendance of witnesses, and expenses of commissioners either in taking evidence or in local investigations, or in investigations into accounts; and all of other expenses of procuring and adducing necessary evidence.

#### 1.11.1.5 Other remedies

Section 170 of the IP Act provides that, in addition to injunctions and damages, the Commercial High Court is entitled to grant “such other relief as the Court may deem just and equitable” – a phrase that gives the Court discretion to provide “any additional remedy” that it finds necessary, fair or appropriate in the circumstances of the case.

Section 22(2)(e) of the Act provides that if there is a danger that acts infringing copyright or related rights may continue, the Court shall make such orders as may be necessary to prevent such ongoing acts.

Sections 170(3)(a)(ii)–(iii) and 22(2) of the IP Act authorize the Court to grant additional specific remedies, including:

- impounding infringing copies;
- disposing of/destroying goods outside the channels of commerce; and
- relief in respect of materials and implements.

##### 1.11.1.5.1 Impounding infringing copies

Section 22(2)(a)(ii) of the IP Act authorizes the Commercial High Court to order the impounding of works or sound recordings suspected of being made, sold, rented or imported without the authorization of the owner of any right protected under Part II (i.e., copyright and related rights) where the making, selling, renting or importation of copies is subject to such authorization.

The Court may also order 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”.<sup>155</sup>

The Court may impound goods that infringe other IP rights on the basis of section 170(3)(a)(ii)–(iii) of the Act, as well as section 170(1), which permits the Court to grant “such other relief as the Court may deem just and equitable”.

##### 1.11.1.5.2 Disposing of/destroying goods outside the channels of commerce

Section 170(3)(a)(ii) of the IP Act empowers the Commercial High Court to order the disposal of goods infringing upon any IP right recognized under the Act outside the channels of commerce or to destroy such goods without the payment of any compensation.

<sup>155</sup> IP Act, s. 22(2)(a)(ii).

In regard to counterfeit trademark goods, section 170(4) provides that the simple removal of the trademark unlawfully affixed shall not – other than in exceptional cases – be sufficient to allow the goods to be released into commercial channels.

Section 22(2)(c) of the Act specifically provides for the destruction and disposal of infringing copies of a work protected by copyright or related rights. The Court may “order the destruction or other reasonable manner of disposing of such copies ... and their packaging outside the channels of commerce in such manner as would avoid harm to the owner of the rights, unless he requests otherwise”. The section confirms, however, that this remedy does not apply to any copies and other packaging acquired by a third party in good faith.

#### 1.11.1.5.3 Relief in respect of materials and implements

Section 170(3)(b) of the IP Act authorizes the Commercial High Court to “make any order specified in [section 170(1)] in respect of materials and implements used in the creation of the infringing goods”. This may include any order for the destruction or forfeiture of such materials and implements.

Section 22(2)(d) of the Act provides that:

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 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.

#### 1.11.2 Criminal remedies

Sanctions for criminal violations of IP rights include imprisonment and fines, either alone or in combination, as described in each of the chapters that follow on trademarks ([Chapter 2](#)), patents ([Chapter 3](#)), copyright ([Chapter 4](#)) and other intellectual property rights ([Chapter 5](#)).

Magistrates may also order:

- forfeiture of goods;
- disposal of forfeited goods; and
- costs.

##### 1.11.2.1 Forfeiture and disposal of forfeited goods

Under section 197(2)(a) of the IP Act, if an owner of goods or things who is convicted and is liable to forfeiture is unknown or cannot be found, the magistrate may cause notice to be published requiring reasons to be shown to the contrary at a time and place named in the notice as to why such goods or things should not be forfeited.

If the owner or any person on their behalf, or another person interested in the goods or things seized, fails to show sufficient cause to the contrary at the time and place named in the notice, the magistrate may order them to be forfeited.

Under section 197(2)(b), each such order is subject to an appeal.

Additionally, section 197(3) provides that, using the proceeds from the sale of those goods after any marks or trade descriptions are removed, the magistrate may award compensation to any innocent party who suffered a loss from dealing with the forfeited goods.

It also sets out that any goods or things forfeited under Part XI of the IP Act may be destroyed or disposed of according to the direction of the magistrate who ordered the forfeiture.

Section 186(5) of the IP Act affords magistrates particular flexibility – regardless of whether the alleged offender was convicted or not – with respect to chattels, articles, instruments or other items that may have been used to commit offenses under section 186 of the IP Act (i.e., forgery

or counterfeiting, trade in forged or counterfeit goods and trade in goods ordinarily sold by the piece or by length without the required markings). It provides that:

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.

#### 1.11.2.2 Costs

Section 198 of the IP Act provides that, in any prosecution, the Commercial High Court may order the prosecutor to pay costs to the accused or vice versa, having regard to the information given by, and the conduct of, the accused and prosecutor, respectively.

The sum awarded as costs is recoverable as if it were a fine.

# Chapter 2 Trademarks

## Part I Preliminary matters

### 2.1 Introduction

This chapter addresses the law relating to trademarks, the conduct of trademark proceedings, and the enforcement of rights and remedies relating to trademarks before the Commercial High Court in Sri Lanka. It also addresses the conduct of criminal proceedings and the enforcement of rights and remedies in the Magistrates' Courts of Sri Lanka.

In addition, this chapter addresses overlapping causes of action that may be raised in trademark cases – namely, unfair competition and common law passing off.

The procedural aspects of adjudicating intellectual property (IP) actions and available remedies were addressed in [Chapter 1](#) of this volume; this chapter will provide cross-references to that chapter, where relevant.

A more general summary of the law of trademarks is provided in Chapter 1 of *Introduction to the International Legal Framework for Intellectual Property*, the first volume in the series, which refers to relevant treaties but is not specific to Sri Lanka.

Select legislation and case law to which reference is made in this chapter is available on the WIPO Lex database.<sup>156</sup>

### 2.2 What is a trademark in Sri Lanka?

Under section 101 of the Intellectual Property Act, No. 36 of 2003 (the IP Act), a “mark” refers to a trademark or a service mark.

In turn, a “trade mark” is defined as any visible sign distinguishing the goods of one enterprise from those of another enterprise, while a “service mark” is any visible sign distinguishing the services of one enterprise from those of another enterprise.<sup>157</sup>

The law of Sri Lanka also distinguishes between different types of mark, including:

- a “collective mark”, which is any visible sign designated as such and distinguishing the origin or any other common characteristic of goods or services of different enterprises that use the mark under the control of the registered owner; and

<sup>156</sup> See [www.wipo.int/en/web/wipolex](http://www.wipo.int/en/web/wipolex).

<sup>157</sup> Intellectual Property Act, No. 36 of 2003 (IP Act), s. 101, defines an “enterprise” as:  
... 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...

- a “certification mark”, which is a mark indicating that the proprietor of the mark certifies the origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics of the goods or services in connection with which the mark is used.<sup>158</sup>

Sri Lanka also affords protection under Chapter XXX of the IP Act to “trade names”, which section 101 of the Act defines as the “name or designation identifying the enterprise of a natural or legal person”.

Throughout this chapter, references to “trademarks” should be presumed to include service marks unless expressly indicated otherwise. The term “product” is used in this volume to mean both goods and services.

Trademarks serve several important functions, as follows:

- **Indicating origin or source** They identify the products of a particular enterprise and hence indicate their source.
- **Distinguishing or differentiating products** They distinguish or differentiate the products of one enterprise from those of other enterprises, helping consumers to make informed purchasing decisions.
- **Quality assurance** They assure consumers of a consistent level of quality and other product characteristics, enhancing predictability.
- **Advertising** They facilitate competition and promote fair trade practices by helping enterprises to reach and attract consumers by means of branding, leading to familiarity with the associated products and increased sales.

## 2.3 Sources of law

The primary sources that form the legal framework for trademarks in Sri Lanka comprise statutes, regulations and judicial decisions. Sri Lanka has also joined a number of international treaties that address substantive and procedural aspects of trademark protection.

For more on the sources of law applicable to IP generally, see [Chapter 1, section 1.3](#).

### 2.3.1 Statutes

The law on trademarks is governed by Part V of the IP Act.

The following statutes are also relevant to the application of trademark law in Sri Lanka.

The Civil Procedure Code (Chap. 101), as amended, governs procedure in the civil courts relating to trademark actions filed under the provisions of the IP Act.

The Code of Criminal Procedure Act, No. 15 of 1979, as amended, governs the procedure in criminal courts relating to the prosecution of offenses involving trademarks under the provisions of the IP Act.

The Customs Ordinance (Chap. 235), as amended by the IP Act,<sup>159</sup> also applies to the enforcement of trademarks by customs control.

The High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, grants the Commercial High Court civil jurisdiction in respect of trademark proceedings required under the IP Act.

The Judicature Act, No. 2 of 1978, as amended, provides for the establishment and constitution of the courts of first instance, defines their jurisdiction and regulates procedure.

<sup>158</sup> IP Act, s. 101.

<sup>159</sup> IP Act, s. 206, amended s. 101 and Part XIII of the [Customs Ordinance](#) (Chap. 235) by inserting new sections immediately after s. 125 (ss. 125A–B).

### 2.3.2 Regulations

Regulations made under section 204 of the IP Act and published in the *Gazette of the Democratic Socialist Republic of Sri Lanka* (the Gazette) also serve as an important source of law.

The following regulations are relevant to trademark law in Sri Lanka:

The Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (the 2006 IP Regulations)

The Intellectual Property Regulations, No. 2 of 2019, published in Gazette Extraordinary No. 2146/37 dated October 27, 2019 (the 2019 IP Regulations).

### 2.3.3 Judicial decisions

Judicial decisions of Sri Lankan courts that interpret the provisions of the IP Act, the repealed Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) and related statutes are also important sources of law – particularly, judgments issued by the Supreme Court and the Court of Appeal that have binding precedential effect on lower courts.

Decisions from foreign jurisdictions that interpret principles of trademark law that are either identical or similar to those of Sri Lanka may also be influential.

See Chapter 1, section 1.3.4, for a more detailed discussion of the role of judicial decisions in Sri Lankan IP law.

### 2.3.4 International treaties

Sri Lanka is party to a number of international treaties that address trademarks.

The Paris Convention for the Protection of Industrial Property (Paris Convention), administered by the World Intellectual Property Organization (WIPO), provides basic principles regarding national treatment, the right of priority and common rules for industrial property. Articles 6–11 address marks, trade names, false indications and unfair competition.

The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) addresses the availability, scope, acquisition, enforcement and prevention of the abuse of IP rights. Articles 15–21 define the subject matter to be protected, the rights to be conferred, permissible exceptions to those rights, the minimum duration of protection, use and other requirements, and licensing and assignment of trademarks. Articles 51–61 specifically address border measures with respect to counterfeit trademark goods and criminal procedures for trademark counterfeiting on a commercial scale. Article 2.1 incorporates Articles 1–12 and 18 of the Paris Convention into the TRIPS Agreement.

The Trademark Law Treaty (TLT), also administered by WIPO, sets uniform procedures for the filing and managing of trademark applications by national and regional IP offices. Contracting Parties agree not to demand higher administrative requirements than those permitted under the TLT.

Sri Lanka follows a dualist system, which distinguishes between international and domestic law. International treaties do not automatically become part of binding domestic law upon ratification; to have effect in Sri Lanka, a treaty must be incorporated into domestic law by Parliament.

In some cases, Sri Lankan courts have referred to international treaties as interpretive aids where domestic law is ambiguous.

## 2.4 Requirements for a valid trademark

To be considered valid and eligible for registration in Sri Lanka, a mark must meet several key requirements – namely, it must be:

- among the subject matter protected under the IP Act;
- not excluded from protection under section 103(1) of the Act; and
- not in conflict with existing marks under section 104(1).

### 2.4.1 Subject matter of protection

Section 101 of the IP Act defines trademarks and service marks as visible signs that distinguish the goods or services of one enterprise from those of another.

#### 2.4.1.1 Visibility

There is no statutory definition of the term “visible sign”, either in the IP Act or elsewhere.

It can therefore be taken that something that is “visible” can be seen by the human eye.<sup>160</sup>

Likewise, a “sign” can be taken to mean a mark, symbol, gesture or indication.<sup>161</sup>

A visible sign thus refers to any mark, symbol, gesture or indication that can be seen or noticed by a person with no visual aid conveying information or meaning. It may denote something that can be seen by the eye and which serves as a representation or signal of a particular concept, condition or status.

The starting point for considering what may be a protectable sign is provided by section 102(3) of the IP Act, which includes a nonexhaustive list of possible components of an admissible mark (a mark having been defined by section 101 as a trademark or service mark):

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.

##### 2.4.1.1.1 Traditional marks

The signs mentioned in section 102(3) of the IP Act are components of traditional marks.

A traditional mark consists of word elements (word marks), figurative elements such as images or designs (figurative marks), or combinations of both, serving to identify and distinguish goods or services of one entity from those of others.<sup>162</sup>

The following are types of traditional mark:

- **Word marks** consist of words, letters or numbers, or a combination thereof, without specific design elements, such as fonts, colors or logos. They protect the brand name in any visual form. Examples include:
  - Amazon
  - Microsoft
  - Coca-Cola.

<sup>160</sup> *Compact Oxford Dictionary & Thesaurus*, Indian edition, 2006.

<sup>161</sup> *Ibid.*

<sup>162</sup> See WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *New Types of Marks* (September 1, 2006, SCT/16/2), para. 3, available at [https://www.wipo.int/edocs/mdocs/sct/en/sct\\_16/sct\\_16\\_2.pdf](https://www.wipo.int/edocs/mdocs/sct/en/sct_16/sct_16_2.pdf); WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *Methods of Representation and Description of New Types of Marks* (March 29, 2007, SCT/17/2), para. 70, available at [https://www.wipo.int/edocs/mdocs/sct/en/sct\\_17/sct\\_17\\_2.pdf](https://www.wipo.int/edocs/mdocs/sct/en/sct_17/sct_17_2.pdf).

- **Symbol marks**, also known as brand marks or pictorial marks, are graphic elements without text that represent a brand. These icons must be strong enough to stand alone without words. Examples of symbol marks include:

- Mercedes-Benz's three-pointed star



(NIPO Reg. No. 1/159367)

- Shell's pecten shell



(NIPO Reg. No. 1/141227)

- Apple's bitten apple icon



(NIPO Reg. No. 1/221758).

- **Logo marks** are stylized graphic representations of a brand name and/or symbol, and may include stylized text, imagery or both. They serve as the primary visual identity of a brand. Examples include each of the examples given above for symbol marks, as well as:

- Google's company name in stylized text with a distinctive font and color scheme



(NIPO Reg. No. 1/205048)

- Coca-Cola's company name in a flowing, cursive font



(NIPO Reg. No. 1/175420)

- Starbucks's combination of the company name in stylized text with a mermaid image, within two concentric circles



(NIPO Reg. No. 1/174692).

- **Slogans** are short, memorable phrases that communicate a brand's message or express the essence of a brand's identity, values, or promise. Examples include:

- Nike - "Just Do It"
- McDonald's - "I'm Lovin' It"
- Red Bull - "Red Bull Gives You Wings".

- **Combination marks** (also called composite marks) combine a word element and a graphic or design element into a single mark. The above logo mark examples for Google, Coca-Cola and Starbucks are also combination marks.

#### 2.4.1.1.2 Nontraditional marks

Nontraditional marks incorporate elements that do not fit the traditional categories set out at [section 2.4.1.1.1](#) to identify the source of goods or services.

Nontraditional marks that are visible include:

- **color marks** - that is, the use of a specific color or color combination without contours (e.g., the robin's egg shade of blue used by Tiffany & Co. for its packaging), or a combination of colors without contours such as color arrangements or patterns that uniquely identify a brand. (e.g., yellow and green for John Deere's tractors and other equipment);
- **shape marks** - that is, the unique shape of a product or its packaging that identifies the source of the product (e.g., the distinctive shape of the Coca-Cola bottle or the shape of a Toblerone chocolate bar);
- **motion marks** - that is, moving images or animation that identify a brand (e.g., the animated characters of the Pac-Man video game);
- **hologram marks** - that is, three-dimensional holographic designs or characteristics used as a brand identifier (e.g., the Louis Vuitton and Gucci marks of authenticity); and

- **position marks** – that is, the unique or specific way in which certain elements or colors are affixed or placed on a product (e.g., the red soles of Louboutin shoes).

Nontraditional marks must meet the same eligibility requirements as traditional marks – namely, visibility and distinctiveness.

Certain jurisdictions, such as the European Union and the United States, also grant protection to nontraditional marks such as sound marks. These signs are not eligible for trademark protection in Sri Lanka, however, because they are not visible.

Visible nontraditional marks that are eligible for trademark protection in Sri Lanka, such as three-dimensional shapes, may nevertheless not meet other registration requirements – particularly, distinctiveness (see below) and the prohibition on functional marks (see [section 2.5.4.1.2](#)).

#### 2.4.1.2 Distinctiveness

A sign must be distinctive to be eligible for trademark protection in Sri Lanka.<sup>163</sup>

When a trademark is registered, it is registered in respect of one or more particular class or classes of goods or services, which define its scope of protection.<sup>164</sup> The owner with exclusive rights to the trademark in respect of one class of goods or services usually cannot extend protection to classes of goods and services other than those for which the trademark is registered.<sup>165</sup>

Generally speaking, the distinctiveness of a mark refers to its capacity to identify the goods or services and indicate their source, as perceived by the average consumer of the goods or services at issue.<sup>166</sup>

Distinctiveness – which may be weak or strong and either inherent or acquired through use – is a key criterion for trademark protection.

##### 2.4.1.2.1 Inherent distinctiveness

A mark is inherently distinctive if, by its nature, it is capable of distinguishing the relevant products (e.g., “Nike”, for sporting goods and apparel, or “Apple”, for electronics).

In general, the more descriptive a term, the less distinctive it will be in relation to those products. Descriptive terms are not eligible for protection.<sup>167</sup>

Similarly, terms that are common or customary for the goods or services to which they are applied (i.e., generic) are incapable of serving as source identifiers and hence cannot be registered (e.g., “Apple”, if it were to be sought for apples).

##### 2.4.1.2.2 Acquired distinctiveness

Distinctiveness is not static; it may be acquired or lost with time.

A mark that is descriptive of the goods or services and lacks inherent distinctiveness may nevertheless become distinctive and eligible for protection if it has acquired distinctiveness through extensive use over time (e.g., “Raisin-Bran” for bran cereal with raisins).

Conversely, a registered trademark may lose its distinctiveness and become generic if it becomes equated with the product to which it is applied rather than the enterprise supplying the product (e.g., “Aspirin”, a trademark registered by Bayer for acetylsalicylic acid, lost protection in many jurisdictions as a result of genericization). A mark that has lost its distinctiveness may no longer qualify for trademark protection.

<sup>163</sup> IP Act, s. 101.

<sup>164</sup> The National Intellectual Property Office (NIPO) of Sri Lanka uses the Nice Classification of Goods and Services for the Purpose of Registration of Marks (11<sup>th</sup> ed., 2021 version).

<sup>165</sup> An exception to this general principle is available to registered well-known marks: IP Act, s. 104(1)(d). See [section 2.6.2](#).

<sup>166</sup> IP Act, s. 103(1).

<sup>167</sup> IP Act, s. 103(1)(b).

Distinctiveness can be established by means of evidence demonstrating:

- use in commerce;
- sales volumes and market share;
- advertising expenditures;
- testimony by dealers and consumers;
- consumer recognition or association of the mark with a specific source (e.g., survey results);
- market recognition by the public or within the relevant industry;
- competitor behavior; and/or
- sales and distribution channels.

For further discussion of distinctiveness in general, see section 1.5.2 of *Introduction to the International Legal Framework for Intellectual Property*, the first volume in this series.

For a detailed discussion of distinctiveness as a precondition to trademark registration, see [section 2.5.4.1.1](#) in this chapter.

## 2.5 Obtaining trademark protection

The Director-General of the National Intellectual Property Office (NIPO) keeps and maintains a Register of Marks (the Register).<sup>168</sup>

The process of registration is set out in Chapters XX and XXI of the IP Act. The application for registration must be made to the Director-General in the prescribed form, together with necessary fees, and the registration may be granted or refused after the examination, publication and opposition process.

Upon registration of a mark, the Director-General issues a certificate of registration to the owner and publishes the mark in the Gazette, in order of its registration.<sup>169</sup> The Director-General also publishes all registered marks in the Gazette in the order of their registration.<sup>170</sup>

### 2.5.1 Ownership

Under section 121 of the IP Act, the exclusive rights afforded to a mark by Part V of the IP Act belong to the registered owner and can be acquired only through registration. The registration of a mark is *prima facie* proof of ownership of the mark.

Sri Lanka is a country with a “first to file” system, not a “first to use” system. Section 102(2) of the Act states that the registration of a mark may be granted to the person who is the first to:

- fulfil the conditions of a valid application; or
- validly claim the earliest priority for their application.

Ownership and protection depend on who applied for registration first. Registering a trademark provides legal protection, which can prevent others from using the same or a similar trademark, even if they were using their mark first without registering it.

If a party can demonstrate that they used their mark extensively before the filing date of a third party’s application, they may challenge the applicant’s registration on the grounds set out in section 104(1)(e) of the IP Act – namely, that the mark infringes their third-party rights or is contrary to the provisions of Chapter XXXII of the IP Act relating to the prevention of unfair competition.

Under section 104(1)(d), the party can also claim that the mark may not be registered because it is already well known within Sri Lanka.

<sup>168</sup> IP Act, s. 113(1).

<sup>169</sup> IP Act, s. 111(3).

<sup>170</sup> IP Act, s. 114.

They can additionally institute a common law passing-off action based upon the substantial goodwill that attaches to their unregistered mark (see [section 2.7.3](#)).

### 2.5.2 Eligible applicants

Any person (i.e., any individual) or body of persons (i.e., companies, corporations, partnerships or associations), whether corporate and unincorporated, may apply to register a mark.

This may include foreign applicants, even if they do not have a business presence within Sri Lanka. In such cases, a representative or agent may apply on behalf of the applicant.<sup>171</sup>

### 2.5.3 Registration process

To be eligible for registration, a trademark must meet procedural and substantive requirements.

The procedural requirements are set out in sections 106 and 109 of the IP Act, including (where applicable) sections 107 and 108 regarding priority and marks exhibited at international exhibitions.

Additional procedural requirements regarding the specific steps, formalities, and required information and documentation to be filed and assessed by the Director-General are set out in the Intellectual Property Regulations, No. 1 of 2006 (the 2006 IP Regulations).

Sri Lanka does not require applicants for registration of a mark to file a declaration concerning its actual or future use.

In the event of any defect in the application, the Director-General will inform the applicant and afford them three months in which to rectify it.<sup>172</sup>

If the application satisfies the formal requirements of the IP Act and the 2006 IP Regulations, the Director-General will proceed to the substantive examination for registrability.

In Sri Lanka, “admissibility” refers to whether the mark satisfies the substantive requirements for protection under trademark law. It involves assessment of the mark’s characteristics and compliance with statutory requirements, such as distinctiveness, nondescriptiveness and lack of conflict with existing trademarks or third-party rights, as set out in sections 103 and 104 of the IP Act.

If the mark is inadmissible under sections 103 or 104, the Director-General will notify the applicant, in writing, stating the grounds on which registration of the mark is refused.<sup>173</sup>

If the applicant is dissatisfied with any or all of those grounds, then they may submit their reasons to the Director-General, in writing, within one month from the date of the notification of refusal.<sup>174</sup>

On receipt of such a submission, the Director-General may inform the applicant that they have been granted a hearing and the date, time and place of such hearing.<sup>175</sup>

171 Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (2006 IP Regulations), Form M-01. The NIPO also recognizes that any person or body of persons corporate and unincorporated (i.e., individual (s), companies, partnerships, associations, etc.) can make the application for registration of a mark: see <https://www.nipo.gov.lk/>.

172 IP Act, s. 110(2).

173 IP Act, s. 111(2).

174 IP Act, s. 111(3).

175 IP Act, s. 111(4).

After inquiring as they think fit, the Director-General may:

- refuse to accept an application for registration of the mark;
- accept such an application absolutely; or
- accept it subject to conditions, amendments or modifications, or to limitations as to the mode or place of use, or otherwise as they may think fit.<sup>176</sup>

In the event that they refuse an application for registration of a mark or accept it with conditions, the Director-General shall, if required by the applicant, state in writing the grounds of their decision within three months of delivering it.<sup>177</sup>

If the Director-General is of the opinion that the mark is admissible under sections 103 and 104, they may require the applicant to pay a publication fee within a prescribed period, on receipt of which the Director-General will publish the application in the Gazette.<sup>178</sup>

This publication typically includes details about the trademark application, such as:

- the date of the application;
- details of the mark itself, and of the goods or services – or the class(es) of goods or services – it covers; and
- the name and address of the applicant.<sup>179</sup>

#### **2.5.4 Grounds for refusing registration**

A mark may be denied registration either on objective (absolute) grounds or by reason of a conflict with prior third-party rights (relative grounds).

##### **2.5.4.1 Objective (absolute) grounds**

Objective grounds for refusing to register a trademark are based on the inherent characteristics of the mark itself and are often referred to as absolute grounds. These grounds are specified in section 103(1) of the IP Act.

Section 103(1) excludes marks on the basis of criteria that affect its ability to identify the source of goods or services objectively, including factors such as:

- lack of distinctiveness;
- descriptiveness;
- functionality; and
- generic terms or names commonly used for the goods or services associated with the mark.

Signs that are likely to mislead the public or trade circles, signs that use common signs or symbols, signs that are scandalous, immoral or contrary to public order or morality, and signs that reproduce flags, emblems and symbols of states or international organizations must also be denied registration.

##### **2.5.4.1.1 Lack of distinctiveness**

Distinctiveness is a fundamental requirement for trademark registration. Marks that are incapable of distinguishing the goods or services of one enterprise from those of another lack distinctiveness and shall not be registered under section 103(1)(d) of the IP Act.<sup>180</sup>

Distinctiveness was introduced in [section 2.4.1.2](#) of this chapter.

Distinctiveness may be inherent (i.e., evident on its face) or acquired through use.

<sup>176</sup> IP Act, s. 111(5).

<sup>177</sup> IP Act, s. 111(6).

<sup>178</sup> IP Act, s. 111(7)–(9).

<sup>179</sup> IP Act, s. 111(9).

<sup>180</sup> IP Act, ss. 101, 103(1)(d).

**2.5.4.1.1.1 Inherently distinctive word marks** Inherently distinctive word marks are prima facie distinctive. Invented words, coined or fanciful words and arbitrary words that have no relation to the goods or services for which registration is sought are inherently distinctive.

- **Invented words** Invented words or phrases are unique terms that have been invented or created for the sole purpose of functioning as a trademark or service mark and which have no prior dictionary or commonplace meaning in the language.

Examples of invented words include:

- “Kodak”, for cameras and film;
- “Xerox”, for a specific brand of photocopiers;
- “Exxon”, for oil; and
- “Zynga”, for a social networking game developer.

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In *Shaw Wallace & Co. v. The Egyptian Phosphate Co. Ltd.*<sup>181</sup> an application to have the words “Tetrachos” and “Radiophos” registered as trademarks in Nice Class 2 in respect of chemical manures was allowed because they were invented words.

The Supreme Court of Sri Lanka stated that an invented word is allowed to be registered as a trademark not as a reward on merit but because its registration deprives no member of the community of the rights that they possess to use the existing vocabulary as they please.

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Several decisions from courts outside of Sri Lanka have usefully discussed how to assess whether a word reaches the legal threshold, for trademark law purposes, of being “invented”.

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In *Philippart v. William Whiteley Ltd.*<sup>182</sup> known as the Diabolo case, the High Court of Justice in England stated that, to be an invented word, within the meaning of the Trade Marks Act 1905, a word must:

... not only be newly coined in the sense of not being already current in the English language, but also be such as not to convey any meaning, or, at any rate, any obvious meaning, to ordinary Englishmen. It must be a word having no meaning, or no obvious meaning, until one has been assigned to it...

The use of the expression “obvious meaning” and reference to “ordinary Englishmen” were efforts to prevent arguments that a newly coined word was not an invented word because it suggested some meaning to a few scholars.

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The English courts’ approach to defining an invented word was reiterated by the Madras High Court in *Nestlé’s Products (India) Ltd v. P. Thankaraja and another*,<sup>183</sup> in line with the test set out in the *Solio* case<sup>184</sup> before the House of Lords in the United Kingdom.

1. To be an invented word, an expression must not only have been newly coined but also, standing by itself, convey no sense or meaning. It is essential that the word must not give any inkling as to the type of goods to which it relates, whether overtly or otherwise.

<sup>181</sup> Supreme Court of Sri Lanka [1923]: *Shaw Wallace & Co. v. The Egyptian Phosphate Co. Ltd.*, 25 NLR 75.

<sup>182</sup> High Court of Justice in England (Chancery Division) [1908]: *Philippart v. William Whiteley Ltd* [1908] 2 Ch 274 (*Diabolo case*).

<sup>183</sup> High Court of Judicature at Madras, India [1978]: *Nestlé’s Products (India) Ltd v. P. Thankaraja and another*, AIR 1978 Mad 336.

<sup>184</sup> House of Lords of the United Kingdom [1898]: *The Eastman Photographic Materials Co. Ltd v. The Comptroller General of Patents, Designs, and Trademarks* [1898] AC 571, 15 RPC 476 (*Solio case*), per Lords Shand and Herschell.

2. The invented word may:
  - (a) be an adopted foreign word;
  - (b) consist of an abbreviation;
  - (c) be an anagram;
  - (d) be formed out of a combination of two or more words, whether as they are or in any clipped or altered form; or
  - (e) be formed by introducing one or two meaningless syllables or letters in between words.
3. Whatever its construction, if the resulting expression conveys the same idea to the eye or the ear as would be conveyed by any recognizable expression in the common vocabulary, then the word is not an invented word.
4. In short, an invented word must be different from any word in common speech, and the difference must be substantial and not superficial.
5. In judging whether a word is invented or not, the Registrar and the court must take in the word so as to form a holistic impression of both sight and sound.

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- **Coined or fanciful words** Coined or fanciful words are invented words created by combining existing words or modifying them to form new words or phrases that are unique with no prior dictionary or commonplace meaning in relation to the product or service.

Examples of coined marks include:

- "Solio", a combination of words suggesting "solar" and "solution" or "energy", indicating an association with solar power products;
- "Fanta", deriving from "fantasy", for a fruit-flavored soda;
- "Pyrex", a mark of Corning Inc., likely derived from the Greek *pyr* meaning "fire" and the Latin *rex* meaning "king", to suggest strength and heat-resistant glassware.<sup>185</sup>
- "Citgo", combining "city" and "go", indicating a connection to urban locations and travel, for an oil and gas company.

Examples of fanciful marks include:

- "Reebok", for athletic footwear; and
- "Clorox", for a bleach product.

- **Arbitrary words** Arbitrary words are existing (common) words used in a nondescriptive way that have no direct relationship to the product or service they represent.

Arbitrary marks comprise words that are in common linguistic use but which, when used to identify particular goods or services, do not suggest or describe any feature, characteristic or quality of those goods or services.

Examples include:

- "Apple", which is a kind of fruit and is arbitrary when used for computers;
- "Diesel", which is a type of fuel and is arbitrary when used for clothing or fashion;
- "Delta", which is a common word for a river feature or a change in mathematics and is arbitrary when used for airlines; and
- "United", which is commonly understood and yet is arbitrary when used for an airline.

Generally speaking, marks consisting of invented, coined, fanciful or arbitrary words enjoy strong protection as a result of their distinctiveness.

**2.5.4.1.1.2 Descriptive terms** It is accepted in most jurisdictions that a trademark that simply describes the goods or services to which it is attached is generally unregistrable, since it is not capable of distinguishing the goods or services of specific enterprises.<sup>186</sup>

<sup>185</sup> Although *pyrexia* means "fever," the name "Pyrex" reinforces the brand's glassware with fire and heat resistance.

<sup>186</sup> House of Lords of the United Kingdom [1954]: *Yorkshire Copper Works Ltd v. Registrar of Trade Marks* (1954) 1 WLR 554.

This is also true in Sri Lanka, where section 103(1)(b) of the IP Act states that a mark “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” shall not be registered.

For example, each of the following descriptive terms would generally not be eligible for registration as a trademark in association with the products indicated:

- “Sweet”, used for candies or desserts (describes a taste);
- “Fast”, used for delivery services (describes the speed of service);
- “Creamy”, used for yogurt (describes the texture and flavor); or
- “Healthy”, used for food items (describes nutritional benefits).

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In ***Electrix Ltd v. Electrolux Ltd***,<sup>187</sup> the House of Lords held the word “Electrix”, being the phonetic equivalent of the word “electric”, to be unregistrable in the United Kingdom in respect of appliances and electrically driven machines.

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In ***Re Joseph Crosfield & Sons Ltd***,<sup>188</sup> the Court of Appeal of England and Wales held the word “PERFECTION” to be unregistrable in the United Kingdom as a trademark for a common soap since it was used as an adjective and is a mere “laudatory epithet”. It was used thus in the soap trade and in many other trades, and permitting registration would have granted a monopoly to a single supplier.

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The distinctiveness of a mark under section 103(1)(d) of the IP Act was considered by the Commercial High Court in ***Distilleries Company of Sri Lanka, PLC v. Hingurana Distilleries (Pvt) Ltd and Director-General, Intellectual Property***.<sup>189</sup>

Hingurana Distilleries sought to register its mark “HDL Hingurana Extra Special Arrack” in Nice Class 33 for liquors. The Distilleries Company, owner of the registered marks “Arrack” and “Extra Special Arrack”, opposed the registration under sections 103(1)(d) and 104(1)(e) of the Act on the grounds that:

- (a) it had used the registered marks “Arrack” and “Extra Special Arrack” for liquors for a significantly long period and, through this extensive use, the marks had become distinctive such that the public and trade now identified them as belonging to it;
- (b) Hingurana’s mark “HDL Hingurana Extra Special Arrack” was deceptively similar to Distilleries Company’s mark “Extra Special Arrack;”
- (c) when the descriptive words were taken out of “Hingurana Extra Special Arrack”, what remained were only the colors, which were identical or similar to those used in Distilleries Company’s mark “Extra Special Arrack;” and
- (d) the words “Extra Special” in Distilleries Company’s mark “Extra Special Arrack” had acquired a distinctiveness by long exhaustive prior use and extensive repute.

Dismissing the appeal, the Commercial High Court held as follows:

1. Distilleries Company’s mark “Extra Special Arrack” had been accepted for registration without exclusive rights to the words “Extra Special Arrack” and other descriptive words and numerals. Hingurana’s mark “HDL Hingurana Extra Special Arrack” was also accepted for registration without exclusive rights to use of the alphabetical letters H, D and L, as well as other descriptive words.
2. The distinctive character of the mark is the most crucial condition of section 103(1)(d) of the IP Act. In the context of trademarks, the word “distinctive” means distinguishing one person’s goods or services from another’s competing goods or services. Therefore,

<sup>187</sup> House of Lords of the United Kingdom [1959]: *Electrix Ltd v. Electrolux Ltd* (1959) 3 All ER 170.

<sup>188</sup> Court of Appeal of England and Wales [1910]: *Re Joseph Crosfield & Sons Ltd* (1910) 1 Ch 130.

<sup>189</sup> High Court of the Western Province of Sri Lanka [2017]: *Distilleries Company of Sri Lanka PLC v. Hingurana Distilleries (Pvt) Ltd and Director-General, Intellectual Property*, Case No. HC/Civil/10/2013/IP (unreported).

“distinguishing character or capable of distinguishing” is the crucial condition distinguishing the goods or services of one enterprise from those of another enterprise under section 103(1)(d).

3. Although a color combination may be a factor when assessing the distinctive character of a trademark, merely writing the nonexclusive words “Extra Special” and “Arrack” prominently in commonly used colors (i.e., green, yellow and white) could not, by itself, be considered a sufficiently distinct combination to entitle Distilleries Company to monopolize them.
4. The words “Extra Special Arrack” are descriptive and therefore Distilleries Company had no exclusive rights to the words “Extra Special Arrack”. It could not prevent Hingurana from using the same descriptive words.

On appeal,<sup>190</sup> the Supreme Court agreed that the term “Extra Special Arrack” was merely descriptive of the goods and that Distilleries Company was not entitled to exclusive rights.

While individual descriptive signs or indications may not qualify for trademark registration on their own, a combination of descriptive elements of signs can create a distinctive mark if their combination is unique and is capable of distinguishing the goods or services of one enterprise from those of another.

The Court of Justice of the European Union (CJEU) set forth a test of descriptiveness in ***Proctor & Gamble Co. v. Office of Harmonization in the Internal Market***.<sup>191</sup>

The mark in question was “BABY-DRY” for nappies.

The European Court of Justice (ECJ), while holding that the Court of First Instance had erred in finding that “BABY-DRY” was not capable of constituting a Community trademark and reversing that decision, set out a test for assessing descriptiveness with respect to trademarks composed of combinations of signs or words.

**39** The signs and indications referred to in Article 7(1)(c) of [EU] Regulation No. 40/94<sup>[192]</sup> [under which marks consisting exclusively of descriptive terms are excluded from registration] are only those which may serve in normal usage from a consumer’s point of view to designate, either directly or by reference to one of their essential characteristics, goods or services ... [A] mark composed of signs or indications satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way of designating the goods or services concerned or their essential characteristics.

**40** As regards trade marks composed of words, ... descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.

[ ... ]

190 Supreme Court of Sri Lanka [2019]: *Distilleries Company of Sri Lanka Ltd v. Hingurana Distilleries (Pvt) Ltd and Director-General, Intellectual Property*, Case No. SC/HC/LA 23/2017 (unreported).

191 European Court of Justice [2001]: *Proctor & Gamble Co. v. Office of Harmonization in the Internal Market (OHIM)*, C-383/99 P, ECLI:EU:C:2001:461.

192 Regulation (EC) No. 40/94 of December 20, 1993, on the Community trade mark, OJ L 11/1, January 14, 1994, reg. 7(1)(c) is similar to IP Act, s. 103(1)(b).

**42** In order to assess whether a word combination such as BABY-DRY is capable of distinctiveness, it is therefore necessary to put oneself in the shoes of an English-speaking consumer. From that point of view, and given that the goods concerned in this case are babies' nappies, the determination to be made depends on whether the word combination in question may be viewed as a normal way of referring to the goods or of representing their essential characteristics in common parlance.

**43** As it is, that word combination, whilst it does unquestionably allude to the function which the goods are supposed to fulfil, still does not satisfy the disqualifying criteria ... Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of babies' nappies, their syntactically unusual juxtaposition is not a familiar expression in the English language, either for designating babies' nappies or for describing their essential characteristics.

**44** Word combinations like BABY-DRY cannot therefore be regarded as exhibiting, as a whole, descriptive character; they are lexical inventions bestowing distinctive power on the mark so formed and may not be refused registration under Article 7(1)(c) of Regulation No. 40/94.

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**2.5.4.1.1.3 Generic signs or indications** Generic signs or indications refer to a type, category or class of goods or services rather than indicating the source of goods or services of a particular enterprise. They cannot be trademarked because they do not distinguish one source from another.<sup>193</sup> They designate the products themselves rather than indicating the specific source of goods.

Under section 103(1)(c) of the IP Act, a mark shall not be registered "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".

A mark is considered generic when the public uses it to designate a product or service rather than to identify a particular brand or manufacturer. Examples include:

- "Computer", for computer products;
- "Book", for a bookstore;
- "Bicycle", for bikes;
- "Bread", for bread products;
- "Milk", for dairy products; and
- "Furniture", for such items as tables and chairs.

The registration of such common generic terms is not permitted, with the aim of protecting their common usage and avoiding giving one enterprise a monopoly that would allow it to prevent competitors from using such terms for similar products and services.

Importantly, the distinctiveness of a trademark is not static: a protected mark may lose its distinctiveness over time and become "genericized".

Genericization happens when the public begins to use the protected mark extensively as a synonym for the product itself, rather than only to identify a specific source of the product or service.

Examples of formerly distinctive trademarks that have become generic include:

- "Aspirin", which was originally a trademark for Bayer's brand of acetylsalicylic acid but is now widely used for all acetylsalicylic acid medication in many jurisdictions;
- "Thermos", which was originally a brand of insulated flasks but is now widely used to describe any insulated container;
- "Escalator", which was originally a brand name owned by Otis Elevator Co. but is now used for all moving staircases; and

<sup>193</sup> IP Act, s. 103(1)(d).

- “Yo-Yo”, which was originally a trademark owned by Duncan Toys but is now widely used to describe a particular type of toy.

A generic term may, however, be admitted as a trademark if it is distinctively designated and applied to a product or service in a manner that has become distinct from its generic meaning and which is now used to identify a product or service unrelated to its generic meaning.

Examples include:

- “Apple”, which is a generic term for a type of fruit but is highly distinctive for electronics and computers; and
- “Camel”, which is a generic term for a particular animal but is distinctive for cigarettes.

Further, a mark is ineligible for registration under section 103(1)(c) of the IP Act only if it consists *exclusively* of a generic sign. A combination of signs, including generic terms, may be registrable if it is capable of distinguishing the goods or services of different enterprises.

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In ***Viacom International Inc. v. The Maharaja Organization Ltd and another***,<sup>194</sup> Viacom was the user of the trademark “MTV Music Television” in the United States and several other countries. It applied for the registration of the mark in Sri Lanka.

Eight days after the application, Maharaja made an application for the registration of the letters “MTV” in respect of communication in the same class.

Viacom opposed Maharaja’s registration, *inter alia*, on the basis that the “MTV” mark, if registered, would cause confusion to consumers.

Viacom’s mark was registered successfully.

Maharaja’s mark (“MTV”) was registered after Viacom’s mark, subject to a disclaimer that Maharaja was not entitled to exclusive rights to the individual letters constituting the mark “M”, “T” and “V”.

Both marks were registered without exclusive rights to the English letters M, T and V.

On appeal from the Commercial High Court, the Supreme Court of Sri Lanka held, *inter alia*, that:

1. a mark should be taken as a whole;
2. the two letters “TV” are a standard abbreviation all over the world for the word “television” and, as such, no party could claim exclusive rights for their use – leaving in the mark only the single letter “M”;
3. Viacom had extensively used “MTV” as a mark and had acquired a reputation and identity, and therefore, when the single letter “M” was taken together with the two descriptive letters “TV”, the whole (“MTV”) stood as a valid mark; and
4. although Viacom did not have exclusive rights to the letters “TV”, it should have received exclusive rights to the combination of letters “MTV” and Maharaja’s mark should not have been registered.

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#### **2.5.4.1.1.4 Nontraditional marks, including three-dimensional shapes or forms**

Nontraditional marks were introduced in [section 2.4.1.1.2](#) of this chapter. Some nontraditional marks, such as colors, shapes, position marks and motion marks, may not be inherently distinctive, since consumers may not readily associate them with specific brands, as they might words or logos.<sup>195</sup> In such cases, distinctiveness must be acquired through use to be eligible for registration and not excluded under section 103(1)(d) of the IP Act.

<sup>194</sup> Supreme Court of Sri Lanka [2005]: *Viacom International Inc. v. The Maharaja Organization Ltd and another* [2006] 1 Sri LR 140 (Appeal No. 1).

<sup>195</sup> See, e.g., European Court of Justice [2004]: *Mag Instrument v. OHIM*, C-136/02P, ECLI:EU:C:2004:592, [30].

Three-dimensional shapes are the most common type of nontraditional trademark. A three-dimensional mark consisting of the shape of a good or form is registrable under section 102(3).

In addition to overcoming the distinctiveness requirement of section 103(1)(d) of the IP Act, however, a nontraditional mark must also escape the effects of section 103(1)(a), which excludes from registration those shapes or forms that result from the inherent nature of the goods or services or their industrial function.

A mark that consists of a shape or form imposed by the inherent nature of the goods or services or by its industrial function cannot serve as a mark because it is incapable of distinguishing the goods or services of different enterprises.

For a shape to be registered as a trademark, it must demonstrate a degree of originality or uniqueness that differentiates it from common shapes used in the industry, and it must acquire distinctiveness through use in the marketplace.

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In *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd*<sup>196</sup> Philips owned a shape trademark that consisted of a graphic representation of the shape and configuration of a three-headed rotary electric shaver with rotating blades as an equilateral triangle. Remington, an opposing company, began to produce and sell its own electric shaver model, also comprising rotating heads forming an equilateral triangle, similar to that of Philips. Philips sued Remington in the High Court of Justice in England for infringement of its trademark. Remington filed a counterclaim for revocation of the trademark registered by Philips arguing lack of distinctiveness and the functionality of essential features of the mark under section 3(2)(b) of the U.K. Trademarks Act 1994.

The High Court granted Remington's counterclaim and ordered the revocation of Philips' trademark registration on both grounds. It found that the sign was incapable of distinguishing Philips' goods from those of other undertakings and was devoid of any distinctive character.

On referral, the European Court of Justice reviewed the category of marks that is not excluded from registration by the U.K. Trade Marks Act 1994, read together with Article 3(1)(b)–(d) and (3) of Council Directive 89/104/EEC (then in force),<sup>197</sup> and found as follows:

1. The shape of the article in respect of which the sign is registered does not require any "capricious addition", such as an embellishment that has no functional purpose. The shape in question must simply be capable of distinguishing the product of the proprietor of the trademark from those of other undertakings and thus fulfill its essential purpose of guaranteeing the origin of the product.
  2. A mark that is refused registration may acquire through use a distinctive character that it did not have initially and can thus be registered as a trademark, because extensive use of a sign consisting of the shape of a product may be sufficient to give the sign distinctive character.
  3. If the competent authority finds that the relevant class of persons, or at least a significant proportion of such persons, identify goods as originating from a particular undertaking, it must hold that the requirement for registering the mark is satisfied.
  4. The distinctive character of a sign consisting in the shape of a product – even that acquired by the use made of it – must be assessed in the light of the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed, observant and circumspect.<sup>198</sup>
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<sup>196</sup> High Court of Justice in England (Chancery Division) [1997]: *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd* [1998] RPC 283.

<sup>197</sup> First Council Directive 89/104/EEC of December 21, 1988, to approximate the laws of the Member States relating to trade marks, OJ L 40/1, February 11, 1989.

<sup>198</sup> European Court of Justice [2002]: *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd*, C-299/99, ECLI:EU:C:2002:377.

Another example of a shape lacking distinctiveness was provided in **Unilever Plc's Trade Mark Applications**,<sup>199</sup> in which the High Court of Justice in England refused applications to register two three-dimensional shapes as trademarks for "ice cream dessert products".

Both shapes consisted of several horizontal layers. One had a white "wavy" structure on top, with a "Franz Hals" frill running along the side; the other was the same, but with dark chocolate on top and layers that were different in number and arrangement.

The Court refused registration of the shapes on grounds that they lacked distinctive character, emphasizing that there must be proof that consumers regard the shape as a badge of origin, in that they would rely on that specific shape alone as an indication of origin when making purchasing decisions.<sup>200</sup>

Similarly, in **Bongrain SA's Trade Mark Application**,<sup>201</sup> the Court of Appeal of England and Wales upheld the Registrar's refusal to register as a trademark the three-dimensional flower shape of a cheese.

The Court noted that, for a sign to be distinctive, it cannot simply be a fancy shape; rather, that shape alone must convey trademark significance to the relevant consumers and be capable of identifying the goods as originating from a specific source.

Finally, Nestlé attempted to register a U.K. trademark consisting of the shape of the four-finger chocolate bar sold under the name "KitKat". Nestlé relied upon the proviso to section 3(1) of the U.K. Trademarks Act 1994 and contended that the trademark had acquired distinctiveness through use.

The case, as **Nestlé v. Cadbury**,<sup>202</sup> ultimately made its way to the Court of Appeal of England and Wales, which agreed with the decision of the hearing officer and dismissed Nestlé's claim that the shape mark had itself acquired distinctiveness. The evidence presented did not sufficiently demonstrate that consumers identified the shape specifically with Nestlé's product.

In the course of reaching this conclusion, the Court made the following statements:

1. If it were the case that consumers had come to rely on the shape as an indicator of trade origin, that would certainly be sufficient for acquired distinctiveness.
2. It is, however, not a necessary precondition that consumers should have, in fact, so relied and regarding it as such a precondition could conceivably lead to error.
3. The ultimate question is whether the mark, used on its own, has acquired the ability to demonstrate exclusive origin – but the Court advised that it would be unwise to attempt a list of how this can be demonstrated.<sup>203</sup>

#### 2.5.4.1.2 Functionality

If a feature of a mark is functional, it is ineligible for trademark protection (known as the functionality doctrine). Functionality can be protected under patent law but not under trademark law.

The rationale is that a trademark must be distinct from the product to which it is applied: generally speaking, a product cannot be a mark for itself.<sup>204</sup>

The functionality doctrine seeks to maintain a balance between trademark and patent law, as well as to ensure that functional aspects of products cannot be monopolized through trademark protection, thereby hindering competition.

199 High Court of Justice in England (Chancery Division) [2003]: *Unilever Plc's Trade Mark Applications* [2003] RPC 35.  
200 *Ibid.*

201 Court of Appeal of England and Wales [2004]: *Bongrain SA's Trade Mark Application* [2005] RPC 14, 26.

202 Court of Appeal of England and Wales [2017]: *Nestlé v. Cadbury* [2017] EWCA Civ 358.

203 *Ibid.*, at [107]–[108].

204 Court of Appeal of England and Wales [1886]: *In re James's Trade-Mark, James v. Souby* (1886) 33 Ch D 392, 395.

The functionality doctrine forbids the use of a product feature as a trademark where such use will put a competitor at a significant disadvantage because the feature is essential to the use or purpose of the product.<sup>205</sup>

In ***Qualitex Co. v. Jacobson Products Co.***,<sup>206</sup> the U.S. Supreme Court concluded that a product feature is functional if it is essential to the use or purpose of the goods or services, or it affects the cost or quality of the goods or services. Such features cannot serve as a trademark and hence cannot be registered.

The U.S. Supreme Court reiterated and expanded upon the *Qualitex* standard in ***Traffix Devices, Inc. v. Marketing Displays, Inc.***<sup>207</sup>

1. **Usability (essential to use or purpose)** A feature that is essential to the use or purpose of the product is functional and not eligible for trademark registration. The existence of a patent disclosing utilitarian advantages is strong evidence of functionality.
2. **Cost or quality** If a feature would impact the product's cost or quality if it were to be altered or removed, it is functional and not eligible for trademark registration.
3. **Availability of alternative designs** The availability of alternative designs to achieve the same function or result may be a secondary consideration if functionality is not obvious on the basis of usability, cost or quality.
4. **Consumer preference (aesthetic/visual functionality)** A feature that is purely visual, ornamental or decorative can still be functional and excluded from protection if it would put competitors at a significant disadvantage unrelated to reputation and drive consumer demand.<sup>208</sup>

The European Court of Justice has held that if the fundamental characteristics of a shape for which registration is sought fall within the exclusions for functionality, the addition of trivial features to a shape that is otherwise excluded will not render the sign registrable.<sup>209</sup> Even minor modifications to a functional shape will not make it eligible for registration if the shape's fundamental characteristics are functional.

In ***Proctor & Gamble Co.'s Trade Mark Application***,<sup>210</sup> the U.K. Trade Marks Registry refused to register the bone shape of a soap, since it was likely to be perceived by the public (if noticed at all) as a functional feature intended to make it easier to grip when wet rather than as a distinctive trademark.

A public perception of functionality – even if the shape is not “necessary to achieve a technical result” – detracts from the *prima facie* case that those elements of the shape will, at least initially, be regarded by the public as serving as a trademark that distinguishes the goods of one enterprise from another.

In ***Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd*** (see also section 2.5.4.1.1.4), Philips owned a shape trademark that consisted of a graphic representation of the shape and configuration of a three-headed rotary electric shaver, with rotating blades, in the shape of an equilateral triangle (said to resemble a clover leaf).

205 Supreme Court of the United States [1981]: *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 850.

206 Supreme Court of the United States [1995]: *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 165.

207 Supreme Court of the United States [2001]: *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23.

208 *Ibid.*

209 European Court of Justice [2002]: *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd*, C-299/99, ECLI:EU:C:2002:377.

210 Trade Marks Registry of the United Kingdom [1998]: *Proctor & Gamble Co.'s Trade Mark Application* [1998] RPC 710.

The High Court of Justice in England<sup>211</sup> – interpreting section 3(2)(b) of the U.K. Trademarks Act 1994<sup>212</sup> – found that the trademark not only lacked distinctiveness but also consisted exclusively of:

- a sign that served in trade to designate the intended purpose of the goods;
- a shape that was necessary to obtain a technical result;
- a shape that had an engineering function and thereby gave substantial value to the goods.

On referral, the European Court of Justice<sup>213</sup> – reading the U.K. Trade Marks Act 1994 together with Article 3(1)(b)–(d) and (3) of Directive 89/104/EEC – observed as follows:

1. A sign consisting exclusively of the shape of a product is unregistrable if it is established that the essential functional features of that shape are attributable only to the technical result. The ground for refusal or invalidity of registration imposed by that provision cannot be overcome by establishing that other shapes allow the same technical result to be obtained.
2. Where the essential functional characteristics of the shape of a product are attributable solely to the technical result, registration of a sign consisting of that shape is precluded, even if that technical result can be achieved by other shapes.

Subsequently, the Court of Appeal of England and Wales<sup>214</sup> held, *inter alia*, as follows:

1. The inability to register certain shapes is directed at the potential misuse of shape marks to combat competition from rival goods.
2. The mark was, in substance, functional and invalid by reason of section 3(2)(b) of the Trademarks Act. The clover leaf formed part of the overall triangular faceplate, which, as a whole, contributed to the technical objective of giving the user a smooth, effective and comfortable shave. Each part of each essential feature of a shape should not be dissected and assessed individually to determine whether it performs a technical function; rather, the assessment should be made holistically.

#### 2.5.4.1.3 Marks that are scandalous, immoral or contrary to public order and which offend religious or racial susceptibilities

Section 103(1)(e) of the IP Act states that no mark can be registered:

*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...*

Examples of trademarks that may be considered “scandalous”, “contrary to morality or public order” or “likely to offend the religious or racial susceptibilities of any community” include marks:

- comprising a religious figure, symbol or sacred item, such as naming a purely commercial product for a religious figure or deity, regardless of racial and cultural practices prohibiting such use;
- that include derogatory terms or stereotypes associated with specific racial or ethnic groups;
- promoting violence or harm (e.g., a mark promoting prohibited drugs);

<sup>211</sup> High Court of Justice in England (Chancery Division) [1997]: *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd* [1998] RPC 283.

<sup>212</sup> In the United Kingdom, s. 3(2)(b) of the [Trade Marks Act 1994](#), as amended, excludes a mark from registration “if it consists exclusively of—(a) the shape, or another characteristic, which results from the nature of the goods themselves, (b) the shape, or another characteristic, of goods which is necessary to obtain a technical result, or (c) the shape, or another characteristic, which gives substantial value to the goods”. Section 103(1)(a) of the [IP Act](#) also excludes a mark consisting of “shapes or forms imposed by the inherent nature of the goods or services or by their industrial function”.

<sup>213</sup> European Court of Justice [2002]: *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd*, C-299/99, ECLI:EU:C:2002:377.

<sup>214</sup> Court of Appeal of England and Wales [2006]: *Koninklijke Philips Electronics N.V. v. Remington Consumer Products Ltd* [2006] EWCA Civ 16.

- expressing hateful religious or race-related sentiments; or
- comprising vulgar language.

The phrase “contrary to morality” is to be considered with respect to the generally accepted standards in Sri Lanka of the time.

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In ***Hallelujah Trade Mark***,<sup>215</sup> the word “Hallelujah” was refused registration in the United Kingdom for women’s clothing because the use of the word on women’s clothing would offend generally accepted mores of the time and would be contrary to morality within the meaning of section 11 of the U.K. Trade Marks Act 1938. The Registrar should also exercise their discretion and refuse registration if a mark offends the religious susceptibilities of a not-insubstantial number of persons.

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#### 2.5.4.1.4 Misleading marks

Section 103(1)(f) of the IP Act denies registration to a mark that is likely to mislead trade circles or the public with respect to the:

- nature of the goods or services (offering misleading descriptions of product type or category);
- source of the goods or services (suggesting false associations with established brands);
- geographical indication (involving geographical misrepresentation);
- manufacturing process of the goods or services (improperly claiming manufacturing processes and techniques);
- characteristics of the goods or services (declaring quality or characteristics that are unverified); or
- suitability of the goods or services for the customer’s purposes.

Misleading marks include:

- marks that are deceptively similar to existing registered marks or imitations of well-known brands (e.g., a mark such as “Coca-Coda” for soft drinks, which would be deceptively similar to the famous “Coca-Cola” brand, causing confusion among the public about the origin of the product);
- marks involving geographical misrepresentation (e.g., a mark such as “Swiss Watches” for watches made in Sri Lanka); and
- marks likely to mislead the consumer as to the quality or character of goods (e.g., a product labeled “Non-Fat Cream” that actually contains significant amounts of fat, or a mark “100% Pure Coconut Oil” for a product that is mixed with cheaper oils such as soybean oil).

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In ***Egerton Upatissa Samarakkody Senanayake v. Director-General of Intellectual Property***,<sup>216</sup> the Commercial High Court upheld the Director-General of NIPO’s decision to refuse the registration of the mark “AVIVA”. The petitioner had sought to register “AVIVA” in respect of consultancy and services relating to insurance, financial affairs, monitory affairs and real estate affairs. The Director-General found that the application was inadmissible under sections 103(1)(f) and 104(1)(b)–(d) of the IP Act, as well as section 104(1)(e), for violating the principles of unfair competition set forth in section 160.

The Director-General stated that the mark “AVIVA” is used by a major U.K. insurance company. It also has a presence in Sri Lanka, through Eagle Insurance, which advertises itself as “member of AVIVA”. In these circumstances, registration of the applicant’s identical mark “AVIVA” for the same services would be likely to mislead the public, requiring that registration be denied under section 103(1)(f).

<sup>215</sup> Trade Marks Registry of the United Kingdom [1976]: *Hallelujah Trade Mark* [1976] RPC 605.

<sup>216</sup> High Court of the Western Province of Sri Lanka [2011]: *Egerton Upatissa Samarakkody Senanayake v. Director-General of Intellectual Property*, Case No. HC/Civil/2/2010/IP (unreported).

On appeal, the petitioner argued, among other things, that “the international user is not relevant in these proceedings”, because section 104(1)(b)–(d) speaks only of marks used and well-known in Sri Lanka.

The Commercial High Court dismissed the argument and overall appeal. The Court held that the Director-General was obliged under section 103(2) of the IP Act to have regard to all of the factual circumstances – in particular, the length of time the mark had been in use not only in Sri Lanka but also in other countries – when considering whether the mark is inadmissible on objective grounds set forth in section 103.

#### 2.5.4.1.5 Names of individuals or enterprises

Although names are registrable marks under section 102(3) of the IP Act, section 103(1)(g) states that a mark “which does not represent in a special or particular manner the name of an individual or enterprise” cannot be registered.

Generally speaking, the name of an individual or an enterprise may be “represent[ed] in a special or particular manner” when it is presented uniquely or distinctively, and when it can identify and distinguish the goods or services of one enterprise from those of another.

The name of an individual or enterprise may be presented in a unique font, as a logo, with a design or with other stylistic attributes to create a distinctive mark that can be immediately identified by the public as more than only a common surname (see also below).

Examples include:

- the name “McDonald’s”, which appears alongside the iconic “Golden Arches” in a specific font and color; and
- the name “Coca-Cola”, which appears in a stylized cursive script and a distinctive red-and-white color scheme.

Relatedly, a person’s signature may be registered as a trademark in Sri Lanka if it can distinguish the goods or services of one enterprise from another and if it has acquired distinctiveness through extensive use, advertising or other forms of brand association or recognition that creates a unique association in the consumer’s mind.

#### 2.5.4.1.6 Geographical names and surnames

Section 102(3) of the IP Act states that a mark may consist of a geographical name. However, section 103(1)(h) states that a mark “which is, according to its ordinary signification, a geographical name or surname” cannot be registered. This is because such a mark may not be inherently distinctive or capable of distinguishing the goods or services of different enterprises.

A geographical name may be registered as a trademark, however, if it does not solely describe the origin of the goods or services and it has acquired distinctiveness or “secondary meaning” through extensive use.

Examples include:

- “Yorkshire”, a region in England, which has become part of a distinctive brand (“Yorkshire Tea”) through its association with a specific quality and flavor of tea; and
- “Liverpool”, a well-known city in the United Kingdom, which, as part of “Liverpool Victoria”, distinguishes a financial services brand providing insurance, retirement and investment products.

Surnames are common names shared by multiple persons and, as a result, are not inherently capable of distinguishing the goods or services of different enterprises.

A surname may be registrable as a trademark only if it has acquired distinctiveness through stylization, extensive use over time and advertising, which has allowed it to achieve market recognition and to serve as a source identifier in the consumer's mind.

Examples include:

- "Ford", which is the surname of company founder Henry Ford, but which has become strongly associated with automobiles; and
- "Hilton", which is the surname of company founder Conrad N. Hilton, but is now linked to hotels and hospitality services worldwide.

#### 2.5.4.1.7 Armorial bearings, flags or other emblems, initials and names or abbreviated names of any state or intergovernmental international organizations, etc.

Section 103(1)(i) of the IP Act states that no mark can be registered:

*which reproduces or imitates armorial bearings, flags or other emblems, initials, names or abbreviated names of any State or any intergovernmental international organization or any organization created by international convention, unless authorized by the Competent Authority of that State or international organization...*

#### 2.5.4.1.8 Official signs or hallmarks of a state

Section 103(1)(j) of the IP Act states that a mark "which reproduces or imitates official signs or hallmarks of a State, unless authorized by the Competent Authority of that State", cannot be registered.

#### 2.5.4.1.9 Marks resembling expired, renounced or nullified marks

Section 103(1)(k) of the IP Act states that no mark can be registered:

*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 two years preceding the filing of the application for the mark in question...*

#### 2.5.4.1.10 Marks prohibited for trading in Sri Lanka

Section 103(1)(l) of the IP Act states that a mark "the registration of which has been sought in respect of goods or services the trading of which is prohibited in Sri Lanka" cannot be registered.

#### 2.5.4.1.11 Any other word or definition as may be prescribed

Section 103(1)(m) states that a mark "which consists of any other word or definition as may be prescribed" cannot be registered.

For example, regulation 22 of the subsequently promulgated 2006 IP Regulations prohibits the registration of "any mark which bears the terms or words such as 'President', 'Prime Minister', 'Minister', 'State', 'Government' or any other word or term of similar meaning which is likely to mislead the public into believing that such mark has state patronage or authorization".

#### 2.5.4.2 Prior third-party rights (relative grounds)

Section 104(1) of the IP Act does not allow the Director-General to register a mark that would conflict with prior rights held by third parties. These grounds for refusing registration are generally referred to as relative grounds for refusal and most frequently arise when the proposed trademark conflicts with a pre-existing trademark.

Generally, relative grounds for refusal under section 104(1) are not raised *ex officio* by the Director-General and applications are usually refused on these grounds only following a successful third-party opposition (see [section 2.5.5](#)).<sup>217</sup>

#### 2.5.4.2.1 Misleading resemblance to another lawfully filed or registered mark

Section 104(1) of the IP Act states:

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 ...

The elements of this provision can be broken down as follows:

- (i) the mark in question “resembles”;
- (ii) “in such a way as to be likely to mislead the public” (i.e., likely to deceive or cause confusion);
- (iii) “a mark already validly filed or registered ... or subsequently filed ... claiming priority”;
- (iv) “in respect of identical or similar goods or services”; and
- (v) “in connection with which the use of such mark may be likely to mislead the public”.

Section 104(1)(a) addresses the scenario in which a mark applied for resembles a prior mark that has already been validly filed or registered and which has been applied for in relation to the same or similar goods or services to those of the pre-existing mark. If the use of the mark applied for would be “likely to mislead the public”, registration must be refused.

The purpose of the “likely to mislead” element is to maintain fair competition in the market and to protect consumers from confusion, misunderstanding, misrepresentation or deception.

The phrase “likely to mislead”, also found in sections 116 and 121(2)(a) of the IP Act, refers to situations in which a trademark creates:

- confusion with an existing registered mark in the minds of consumers, who think that the goods or services in question come from the same source or are associated with the pre-existing mark, leading to misidentification; or
- a false impression that the goods or services in question come from the same source or region with a certain quality or origin when they do not, misleading consumers about the true characteristics of the product or service.

Courts in Sri Lanka have interpreted the phrase “likely to mislead” with reference to judgments made by English courts.

Laws in other jurisdictions use phrases such as “likelihood of confusion”, “likely to deceive” or – as in the since-repealed Sri Lanka Trade Marks Ordinance – “calculated to deceive”. These are interrelated phrases and share similarities in trademark law to the IP Act’s “likely to mislead” standard. They all address situations in which consumers might be misled or products misrepresented by trademarks that are confusingly similar to others.<sup>218</sup>

The phrase “likelihood of confusion” is used interchangeably with “[likely/likelihood] to mislead” in judicial decisions in Sri Lanka. The likelihood of confusion standard focuses primarily on whether ordinary consumers will be confused or likely to be confused by the applicant’s use of the mark, or whether they will mistakenly believe that the applicant’s goods or services either originated with or had some connection (such as sponsorship or endorsement) to or affiliation with the owner of the pre-existing mark.

<sup>217</sup> But see High Court of the Western Province of Sri Lanka [2011]: *Egerton Upatissa Samarakkody Senanayake v. Director-General of Intellectual Property*, Case No. HC/Civil/2/2010/IP (unreported).

<sup>218</sup> Court of Appeal of Sri Lanka [1979]: *Suby and another v. T. Suby Ltd* [1980] 2 Sri LR 65.

However, the phrase “likely to mislead” in sections 104(1)(a), 116 and 121(2)(a) of the IP Act is broader than “likelihood of confusion”, “likely to deceive” or “calculated to deceive”, because consumers may be misled in terms both of direct confusion with a pre-existing mark or of the nature, quality, origin or other characteristics of goods or services associated with the mark.

If the public is likely to be misled or confused about the nature, quality, standard or geographic origin of a mark, it may be considered “likely to mislead”, even if there is no likelihood of confusion with another specific mark.

**2.5.4.2.1.1 Intention** The intention of the applicant to mislead the public or to cause confusion is irrelevant in determining whether there is a likelihood of misleading, confusion or deception.<sup>219</sup> The primary focus is on consumer perception and the likelihood of misleading the public.<sup>220</sup>

**2.5.4.2.1.2 Primary factors in assessing whether a trademark is “likely to mislead”**

To determine whether a trademark misleadingly resembles another trademark or is likely to mislead the public about the source, affiliation, quality or nature of the goods or services, the courts consider various factors as part of a fact-intensive and case-specific inquiry:

- the similarity between two marks;
  - the similarity of the goods or services (known as competitive proximity);
  - the distinctiveness of the earlier mark; and
  - consumer knowledge and the ultimate purchasing context.
- **Similarity between the two marks** The degree of similarity or dissimilarity in the appearance of marks receives considerable weight in trademark law.

The three primary elements with which the likelihood of misleading or likelihood of confusion between trademarks may be assessed are visual similarity, phonetic similarity and conceptual similarity.

- *Visual similarity* Visual similarity refers to the resemblance between two or more marks based on their visual appearance when written or displayed, as is likely to be noticed by consumers.

The factors influencing visual similarity include:

- font and style (i.e., similarities in the design, font or color scheme);
- word structure and length (i.e., similarities in the arrangement and length of words or letters used in those words);
- logos or symbols (i.e., similarities in the logos or other figurative elements);
- colors and overall appearance;
- design; and
- packaging.

When two marks share similar visual characteristics, it may have a misleading, confusing or deceiving effect on the public.

Marks may be visually similar in their terms, in their logos, in their color(s), in their font style, in their packaging or product design, or overall.

- *Phonetic similarity* Phonetic similarity is the degree to which two or more marks sound similar when pronounced, regardless of any visual differences in spelling or appearance.

219 This was confirmed in Supreme Court of Sri Lanka [1994]: *Stassen Exports Ltd v. M.S. Hebtulabhoy & Co. Ltd*, Case No. SC/CHC/Appeal/20/1989 (unreported), in which the Supreme Court of Sri Lanka noted that s. 117 of the Code of Intellectual Property Act, No. 52 of 1979 (1979 IP Code) – which was akin to s. 121 of the current IP Act – did not require the owner to prove an intent to deceive as a condition precedent to prevent third parties from using the owner’s registered mark.

220 Even the words “calculated to deceive”, as used in the repealed Sri Lanka Trade Marks Ordinance, did not require an intention to deceive; rather “deceive” could be interpreted to encompass a broad range of situations more appropriately characterized as “causing confusion”. It was not necessary to show that there was any intent on the part of the accused to deceive anyone, because a trademark that resembles another on the Register is calculated to deceive if, in the probable course of its legitimate use in the trade, it is likely to do so: Court of Appeal of Sri Lanka [1979]: *Suby and another v. T. Suby Ltd* [1980] 2 Sri LR 65.

Factors such as pronunciation, spelling, syllable structure and patterns between the two marks can create a likelihood of misleading or confusion.

Examples of phonetic similarity include:

- "Vita" and "Veda";
- "Kool" and "Cool";
- "Seiko" and "Seycos"; and
- "Kresco" and "Cresco".

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In ***Viacom International Inc. v. The Maharaja Organization Ltd and another***,<sup>221</sup> the Supreme Court considered the phonetic similarity of the two marks – namely, Viacom’s registered trademark “MTV Music Television” in respect of Nice Classes 38 and 41, and Maharaja’s mark “MTV” in respect of Class 38 relating to communication services including transmission of television programs:



The two marks had been registered without exclusive rights to the words “Music Television” and the letters “M”, “T”, and “V”.

The Supreme Court noted that aural similarity may be sufficient to meet the “likely to mislead” standard if it plays the dominant part in the mark. The Court then held that, because the MTV mark was not only visible on the television screen but also often recited during the transmission of programs by Maharaja, phonetic similarity played a role in the case.

Ultimately, the Court held that the dominant element of the two marks (MTV) is literally, phonetically and visually similar such as to cause confusion in the minds of the public and trade circles as to the source of the services offered under each mark, among other things, and therefore that Maharaja’s mark should have been denied registration.

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- **Conceptual similarity** Conceptual similarity is the similarity of ideas, concepts, meanings, themes or associations conveyed by two trademarks, regardless of visual or aural elements or the goods or services they represent.

Conceptual similarity is therefore primarily concerned with ideas or concepts, not goods or services, and each trademark must convey a concept if they are to be found conceptually similar.

Even if two marks do not look or sound the same and are applied to different products, they may be conceptually similar and convey a similar idea to the public if they both refer to similar things, such as animals, luxury, sports or nature.

<sup>221</sup> Supreme Court of Sri Lanka [2021]: *Viacom International Inc. v. The Maharaja Organization Ltd and another*, Case No. SC/CHC/Appeal/28/2003 (unreported) (Appeal No. 2).

Examples of conceptual similarity include:

- “GLUVITA” and “GLUCOVITA”, in respect to biscuits, which are conceptually similar because both products contain glucose and the marks convey the ideas of glucose and life-giving properties (*vita* meaning “life” in Latin); and
- “Lion King” and “Jungle King”, which are conceptually similar because both convey the idea of a ruler in the wild.

When assessing conceptual similarity between trademarks, the nature of the goods or services to which the signs are applied is not considered directly in the same way as it is for visual or phonetic similarity. This means that the ideas, themes or associations the marks evoke are the main focus; the consumer’s understanding of the products with which the signs are associated has only an indirect contextual influence when assessing conceptual similarity.

For example, where the mark “Ecomark” is used in two different industries, such as paper products and electronic items, the conceptual association is weak because consumers will regard the nature of the products differently without any association between the marks.

If “Ecomark” were applied to products in the same sector, however, such as electric vehicles and renewable energy, the conceptual association might be strong because the consumers might regard both marks as referring to environmentally friendly technologies.

- **Trademark comparison tests** Sri Lanka courts have followed English legal principles in interpreting the likelihood of misleading and confusion. English courts have adopted various tests to evaluate the similarity between marks.
  - *Test of the whole mark* The most important principle is that the mark must not be assessed only in part, by focusing on individual words, letters or components, but rather looked at as a whole.<sup>222</sup>

This means that, when assessing the distinctiveness, similarity or likelihood of confusion, all elements of the mark – whether its words, logo or design, or any or all of these in combination – must be considered together or as a single entity. For example, the word “Apple” by itself is a common term, but when it is combined with a logo and applied to digital technology and consumer electronics, it becomes highly distinctive.

The “whole mark” test likewise assesses the likelihood of confusion or misleading by evaluating the trademark in its entirety rather than by breaking it down into individual components. Even if certain elements of a mark appear generic or descriptive on their own, their combination can create a distinctive and unique identity.

The rationale behind this test is that consumers generally consider the overall impression and leading characteristics of a mark without analyzing individual elements separately, and a trademark’s distinctiveness stems from its overall appearance and meaning. Courts must therefore consider the visual, phonetic and conceptual components of the marks holistically.<sup>223</sup>

An alternative approach is to conduct a side-by-side comparison and evaluation of the similarities and differences among the visual, phonetic and conceptual elements of the marks at issue – but the Sri Lanka courts have rejected this approach in several decisions.<sup>224</sup>

- *Test of imperfect recollection* The test of imperfect recollection involves looking at the mark as a whole and considering its “net impression”.<sup>225</sup>

<sup>222</sup> Court of Appeal of Sri Lanka [1911]: *Lukmanjee v. Aktiebalage*, 14 NLR 414.

<sup>223</sup> Court of Appeal of Sri Lanka [1979]: *Suby and another v. T. Suby Ltd* [1980] 2 Sri LR 65.

<sup>224</sup> *Ibid.* See also Supreme Court of Sri Lanka [2006]: *Viacom International Inc. v. The Maharaja Organization Ltd and another* [2006] 1 Sri LR 140 (Appeal No. 1).

<sup>225</sup> Court of Appeal of Sri Lanka [1911]: *Lukmanjee v. Aktiebalage*, 14 NLR 414.

This test holds that the courts cannot decide upon the similarity or dissimilarity between marks by meticulously comparing the two – for example, two words, letter by letter, syllable by syllable – and make their pronouncements with the clarity to be expected of a person with perfect recollection. In reality, consumers may encounter the marks at issue at different times or in different contexts, or they may be familiar with one mark and not the other, diminishing their recollection and making them more likely to be misled or confused.

The imperfect recollection test therefore acknowledges that consumers typically do not have the opportunity or the cognitive capacity to see or remember the precise details of the marks as they might if they were to see them side by side. A court ought instead to assume that a consumer will remember only the major characteristics or distinguishing features of a mark, not all of its details.<sup>226</sup>

The first impression or recollection retained by a consumer is therefore the basis on which the courts should determine whether a similar mark may mislead or confuse the public regarding an already registered mark. To assess whether two resembling trademarks are likely to mislead the public, courts must consider the similarities between the marks' leading characteristics and general impressions, as though seeing them at different times.<sup>227</sup>

- **Relevant case law** The following case law is instructive in assessing the likelihood of confusion.

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***In O2 Holdings Ltd and others v. Hutchison 3G U.K. Ltd***<sup>228</sup> the High Court of Justice in England summarized the approach courts should take when assessing the likelihood of confusion.

1. Likelihood of confusion must be appreciated globally, taking into account all relevant factors.
  2. The marks must be judged through the eyes of the average consumer of the goods and services in question. The average consumer is deemed to be reasonably well informed, circumspect and observed but rarely has the chance to make direct comparisons between marks; rather, they rely upon the imperfect picture of them that they have kept in their mind.
  3. The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details. The visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components.
  4. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and services, and vice versa. There is a greater likelihood of confusion where the earlier trademark has a highly distinctive character either per se or because of the use that has been made of it.
  5. Mere association, in the sense that the latter mark brings the earlier mark to mind, is not sufficient. The reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense. But if the association between the marks causes the public to wrongly believe that the respective goods and services come from the same or economically linked undertakings, there is a likelihood of confusion.
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<sup>226</sup> House of Lords of the United Kingdom [1944]: *Aristoc Ltd v. Rysta Ltd and another* (1945) 62 RPC 65.

<sup>227</sup> Court of Appeal of Sri Lanka [1933]: *Abdul Cader v. The Madras Palayakat Co. Ltd*, 35 NLR 48.

<sup>228</sup> High Court of Justice in England (Chancery Division) [2006]: *O2 Holdings Ltd and others v. Hutchison 3G U.K. Ltd* [2006] EWHC 534 (Ch), 741.

In Sri Lanka, the test of imperfect recollection was applied in *S.H.M. Mohideen v. Registrar of Trademarks*.<sup>229</sup>



The appellant had applied for registration of a mark consisting of the words “TWO RAMS”, accompanied by an illustration of two hornless rams in gamboling attitude, in respect of tea in Nice Class 42:



An earlier registered trademark in respect of the same class of goods depicted two bearded goats with curved horns standing almost upright on their hind legs, either side of a box or stand featuring the legend “Marque Depose”. On the heads of the goats rested a circle and a lotus device, at the center of which were the capital letters “SIT”:

The appellant’s registration was refused on the basis that it closely resembled the earlier registered mark in respect of the same goods (tea).

In this case, the Supreme Court stated that there is no standard test of what is likely to deceive the purchaser because the tests laid down in decided cases are rarely capable of extension to other cases. In the circumstances of the case, the Court held that a side-by-side comparison was not the appropriate test; rather, it was whether the average person who sees the applicant’s trademark in the absence of the registered trademark and in view only of their general recollection of the registered trademark would mistake the applicant’s trademark for the registered trademark.

The Supreme Court also held that:

1. “calculated to deceive” does not imply any intention to deceive and means no more than “likely to deceive”; and
2. apart from the gamboling rams and the words “TWO RAMS”, there were no other features in the appellant’s mark, while the registered mark included many additional and distinctive features that the appellants had not taken into their trademark.

The Court held that, with all these marked differences, no customer was likely to mistake the appellants’ trade mark for the registered trade mark.

In *Suby and another v. T. Suby Ltd*,<sup>230</sup> the respondent’s registered trademark featured an image of a boy wearing a tunic coat and turban, and holding a sprig of leaves. The boy stood against a backdrop of tea bushes, with a factory and hills in the foreground. The design included Arabic characters, with smaller ones on either side of the boy’s turban and a larger group positioned above the turban. The words “Boy Brand Trademark” were printed at the top of the turban. This trademark was used on the packets and chests of tea sold in the Middle East. The tea was referred to in the market as “Suby’s Boy Brand” or just “Boy Brand” tea.

The appellant sought to register his trademark for tea and cardamom. The mark featured a bust of a young cowboy, bare-headed, wearing a different upper garment, with sprigs of tea leaves below him and the words “Cowboy Brand” included. The appellant’s trademark was also used on

229 Court of Appeal of Sri Lanka [1955]: *S.H.M. Mohideen v. Registrar of Trademarks*, 57 NLR 535.

230 Court of Appeal of Sri Lanka [1979]: *Suby and another v. T. Suby Ltd* [1980] 2 Sri LR 65.

the packets and chests of the tea and cardamom sold in the Middle East.

The Registrar allowed the appellant's registration, but the respondent objected, arguing that the mark would cause consumer confusion. The appellant argued that the combination of distinct elements in the respondent's mark created a completely different visual impression compared to their own mark.

The District Court upheld the respondent's objections, stating that permitting registration of the appellant's trademark would likely cause confusion with the respondent's mark and that the appellant's trademark was not distinctive. The appellant appealed.

The Court of Appeal noted that the standard by which the matter was to be judged under the Trade Marks Ordinance was whether the mark in respect of the goods or description of goods was the same or so nearly resembled the registered mark as to be likely to deceive. The Court considered the prominent elements of the two marks and applied the test of imperfect recollection, holding that the proposed mark was calculated to deceive purchasers. When looking at the two devices as a whole, the eye would be drawn to the picture of a boy. The boy in the proposed mark resembled the central feature of the boy in the registered trademark, despite the differences in posture and ornamentation. The differences between the marks would not catch the eye in the same way and, the Court said, would fade from the consumer's memory. As such, the Court of Appeal dismissed the appeal.

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In ***Viacom International Inc v. The Maharaja Organization Ltd and another***,<sup>231</sup> the Supreme Court considered whether there was a likelihood of misleading in assessing the respondent's mark "MTV" and the appellant's earlier registered mark, "MTV Music Television", both registered in Class 38 in respect of communication services, including the transmission of television programs.

The Supreme Court applied the test of imperfect recollection, identifying the dominant part of the two marks and rejecting a side-by-side assessment. It held that the broad and essential features of the two marks must instead be considered, and hence whether the prominent parts of both marks, taken as a whole, so closely resembled one another as to confuse the consumer.

Under the law then in force, the impugned mark would be deceptively similar if it were to bear such overall similarity to the registered mark that a person typically dealing with one may accept the other if it were offered to them.<sup>232</sup>

The prominent parts of both marks were the letters "MTV", and the marks so closely resembled one another that consumers (i.e., viewers) were likely to be confused.

Since the standard is only a "likelihood" of misleading the public, there was no need to show actual confusion; only that it was likely to take place.

The Supreme Court set aside the order allowing the respondent to register its trademark.

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The test of imperfect recollection was applied in the Commercial High Court case of ***Distilleries Company of Sri Lanka PLC v. Hingurana Distilleries (Pvt) Ltd and Director-General of Intellectual Property of Sri Lanka***.<sup>233</sup> Distilleries Company was the registered owner of the trademark "Extra Special Arrack", which it claimed had acquired distinctiveness and goodwill.

Distilleries Company opposed registration of Hingurana's trademark "HINGURANA EXTRA SPECIAL ARRACK" for wines, spirits and liquors, and it filed suit alleging, *inter alia*, that the mark was misleading under section 104(1)(a) of the IP Act and an act of unfair competition, and thereby

231 Supreme Court of Sri Lanka [2005]: *Viacom International Inc. v. The Maharaja Organization Ltd and another* [2006] 1 Sri LR 140 (Appeal No. 1).

232 The law in force at the time of the institution of the case was the 1979 IP Code, not the current IP Act, but the relevant provisions are similar in both laws.

233 High Court of the Western Province of Sri Lanka [2017]: *Distilleries Company of Sri Lanka PLC v. Hingurana Distilleries (Pvt) Ltd and Director-General of Intellectual Property*, Case No. HC/Civil/10/2013/IP (unreported).

inadmissible under section 104(1)(e).

The Commercial High Court, in addition to declaring “Extra Special Arrack” a descriptive term not entitled to exclusive rights, adopted the test of imperfect recollection to reject the opposition.

It held that, in determining the probability of confusion or deception, a customer’s imperfect recollection must be considered because they cannot retain every detail of a mark that they have seen once and memory is notoriously fallible. Rather than assessing the two marks side-by-side, a court must ask whether the average person who sees the applicant’s trademark in the absence of the registered trademark and relying only on a general recollection of the registered trademark would mistake the applicant’s trademark for the registered trademark.

The Court held that the ultimate purchasers of arrack are repeat customers who can differentiate the petitioner’s mark and features, consisting of “Extra Special Arrack” produced by the Distilleries Company of Sri Lanka, from the mark “HINGURANA EXTRA SPECIAL ARRACK”. Distilleries Company failed to show that Hingurana’s mark was so identical or similar to its own marks as to cause confusion or deception to the average arrack-drinking consumers, and therefore the Court held that Hingurana’s mark was not inadmissible under section 104(1)(a) or (e).

The imperfect recollection and “side-by-side” comparison tests were also discussed in the context of infringement disputes in:

- *Distilleries Company of Sri Lanka Ltd v. Randenigala Distilleries Lanka (Pvt) Ltd*,<sup>234</sup> and
- *Société des Produits Nestlé, SA v. Multitech Lanka (Pvt) Ltd*.<sup>235</sup>

For discussion of these two cases, see [section 2.9.4.1](#).

- **Similarity of goods or services (competitive proximity)** In general, the more dissimilar the goods or services associated with the marks at issue, the less likely consumers are to be misled or confused. When the products at issue are in direct competition, occupy the same market space and target similar consumers, the likelihood of misleading or confusion increases.

When the goods or services are related but do not directly compete, courts assessing the likelihood of misleading or confusion will consider the nature of the products (i.e., whether they are in the same or similar trademark classification and/or share similar purposes), and whether they share similar marketing and distribution channels.

- **Distinctiveness of the earlier mark** If the pre-existing mark is highly distinctive, as is usually true of fanciful, arbitrary or well-known marks, it is more likely that the mark at issue will mislead consumers as a result of the strong association in their minds with the pre-existing mark.

If the pre-existing mark is highly distinctive, with substantial market recognition, the alleged infringer’s mark may still mislead or confuse the public even if the similarities are minor (e.g., “Kodak” and “Kojak”).

- **Consumer knowledge and ultimate purchasing context** The likelihood of misleading or likelihood of confusion determination is evaluated from the perspective of the “ordinary prudent consumer”.

Ordinary purchasers of the products at issue – rather than the general public – are crucial in assessing consumer confusion because they care about the nature, quality and cost of the goods. Ordinary purchasers may be more or less sophisticated, knowledgeable, and capable

<sup>234</sup> Supreme Court of Sri Lanka [2006]: *Distilleries Company of Sri Lanka Ltd v. Randenigala Distilleries Lanka (Pvt) Ltd* [2006] BLR 21, 2 Cabral’s IPLR 736.

<sup>235</sup> Supreme Court of Sri Lanka [1999]: *Société des Produits Nestlé, SA v. Multitech Lanka (Pvt) Ltd* [1999] 2 Sri LR 298.

of detecting differences and similarities between products and marks depending upon the product at issue.

The ordinary consumer should represent the average buyer in the market and should not be assumed to be highly educated or to exercise a high degree of care in purchasing goods.

#### 2.5.4.2.1.3 Secondary factors

- **Actual confusion** The likelihood of misleading or confusion is usually assessed independently of actual confusion. The phrase “likely to mislead, confuse or deceive” requires only the *possibility* of misleading, confusing or deceiving the public. There is no requirement to show that the public was *actually* misled, confused or deceived.<sup>236</sup>

Since likelihood of confusion is assessed independently from actual confusion, any evidence of actual confusion in the market can be used as a secondary factor to show similarities between the marks.

- **Geographic market** A likelihood of confusion may be less likely to occur if it can be demonstrated that the consumers in one market are unlikely to come into contact with the mark used in the other market (i.e., that there is no overlap in consumer bases). With the evolution of Internet advertising, digital marketing and improvements in transportation, isolated markets have become less common.

There may, however, be limited instances in which geographic factors may limit interaction among markets or products because of local preferences, languages and technology barriers, regulatory and legal restrictions, and shipping costs, thus reducing the likelihood of confusion.

#### 2.5.4.2.2 Misleading resemblance to a used and unregistered mark

Section 104(1)(b) of the IP Act states that a mark “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” cannot be registered in Sri Lanka.

This section is identical to section 104(1)(a), with the difference being that section 104(1)(a) applies to another lawfully filed and registered mark, whereas this section applies to a used and unregistered mark.

To determine whether a mark resembles an unregistered mark so closely as to be likely to mislead the public, the key factors referred to under section 104(1)(a) are typically applied (see [section 2.5.4.2.1](#)).

#### 2.5.4.2.3 Misleading resemblance to a used trade name

Section 104(1)(c) of the IP Act denies the registration of a mark “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”.

There are several key factors used to assess a mark that resembles a registered trade name, including:

- the prior use of the trade name;
- any similarity between the trade name and the mark;
- the likelihood of misleading the public;
- the reputation or goodwill of the trade name;
- the distinctiveness of the trade name;
- any geographical connection;

<sup>236</sup> Supreme Court of Sri Lanka [2021]: *Viacom International Inc. v. The Maharaja Organization Ltd and another*, Case No. SC/CHC/Appeal/28/2003 (unreported) (Appeal No. 2), p. 13.

- any bad faith or intent to mislead;
- actual consumer knowledge; and
- actual confusion.

#### 2.5.4.2.4 Well-known marks or trade names

Section 104(1)(d) of the IP Act denies the registration of a mark:

if it is identical with, or misleadingly similar to, or constitutes [a] 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 those 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[.]

This protection is accorded to registered and nonregistered well-known marks alike.

Section 104(2) mandates that the following list of factors, which is neither exhaustive nor exclusive, be considered to assess whether a mark is well known under section 104(1)(d):

- (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 the 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...

Neither section 104(1)(d) nor (2) require use in Sri Lanka as a condition for protection of an unregistered well-known mark.

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As referenced in ***Egerton Upatissa Samarakkody Senanayake v. Director-General of Intellectual Property***,<sup>237</sup> the Commercial High Court upheld the Director-General of NIPO's decision to refuse the registration of the mark "AVIVA". The petitioner had sought to register "AVIVA" in respect of consultancy and services relating to insurance, financial affairs, monetary affairs and real estate affairs. The Director-General found that the application was inadmissible under sections 104(1)(b)–(d) of the IP Act, among others.

The Director-General stated that the mark "AVIVA" is an internationally well-known mark for insurance business and that registration of the mark "AVIVA" would be likely to mislead the public as to the source of the services offered by the applicant.

On appeal, the petitioner argued, among other things, that "the international user is not relevant in these proceedings", because section 104(1)(b)–(d) speak only of marks used and well known in Sri Lanka.

The Commercial High Court dismissed the argument and overall appeal, agreeing with the

<sup>237</sup> High Court of the Western Province of Sri Lanka [2011]: *Egerton Upatissa Samarakkody Senanayake v. Director-General of Intellectual Property*, Case No. HC/Civil/2/2010/IP (unreported).

Director-General that the mark “AVIVA” was not eligible for registration under section 104(1)(d), read together with section 104(2), because it is well known for insurance services internationally and nationally.

In so doing, the Court also referred to Article 16.2 of the TRIPS Agreement, incorporating Article 6*bis* of the Paris Convention, which obliges WTO members to refuse or cancel the registration of trademarks and service marks that are considered well known in that country and are to be used for identical or similar goods or services in a way that is likely to create confusion with the original well-known mark.

The Court recalled the broad discretion that section 104(2)(ix) affords the Director-General in determining whether a mark is well known, and that section 111(1) obliges the Director-General to examine the mark in relation to sections 103 and 104 *ex officio*. Such examination is not limited to the facts put forward by the petitioner but may include all available facts from any source available prior to determining the application.

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In ***Swadesh Industries Works Ltd v. Durai Visvanathan Rajprasad and Director of Intellectual Property***,<sup>238</sup> too, the Commercial High Court found that a registered mark that was nearly identical with a previously registered well-known mark but in a different class of services must be declared null as unregistrable under section 104(1)(d) of the IP Act.

The Court stated that:

1. “Rani” Sandalwood Soap is one of the most popular products marketed by the plaintiff and not only had it been a well-known mark in Sri Lanka since the early 1940s, but also it had been tied up with beauty since the late 1950s;
2. the plaintiff had registered several trademarks, including a well-known trademark “Rani” and a logo/device “crown”;
3. the defendant’s mark constituted a reproduction in whole or in part and an imitation of the plaintiff’s well-known trademark “Rani” and logo/device “crown”, but it was registered in a different class of services – namely, spices; and
4. the defendant’s mark was nevertheless null and void because it indicated a connection between his goods and those of the plaintiff, in violation of section 104(1)(d).

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In the Commercial High Court case of ***DD IP Holder LLC v. Sheshandri Dushinka Subramaniam***,<sup>239</sup> the plaintiff, DD IP Holders IIC, which had registered the trademarks “Dunkin Donuts” and “MUNCHKINS” in more than 60 countries (but not Sri Lanka), sought to enjoin the use of the mark “MUNCHKINS” by a local Sri Lankan baker as an act of unfair competition violating section 160 of the IP Act.

Subramaniam claimed, *inter alia*, that DD’s unregistered “MUNCHKINS” mark was not a well-known trademark in Sri Lanka, since the company had not sold a single “Munchkin” or “Munchkins” product and therefore DD had neither goodwill nor reputation in the mark “Munchkin” in Sri Lanka.

The Commercial High Court dismissed DD’s action on the basis that it had presented no evidence to establish the well-known status of its “MUNCHKINS” mark among consumers in Sri Lanka.

The Court noted that section 104(1)(d) does not require use in Sri Lanka as a condition of obtaining well-known status. In the case at hand, however, no evidence had been provided to demonstrate that the trademark was well known among Sri Lankan consumers at the time that the local bakery had entered the market.

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<sup>238</sup> High Court of the Western Province of Sri Lanka [2002]: *Swadesh Industries Works Ltd v. Durai Visvanathan Rajprasad and Director of Intellectual Property*, Case No. HC/Civil/36/2002(3) (unreported).

<sup>239</sup> High Court of the Western Province of Sri Lanka [2019]: *DD IP Holders LLC v. Sheshandri Dushinka Subramaniam*, Case No. HC/Civil/26/2014/IP (unreported).

A foreign mark is well known in a local jurisdiction when a substantial section of the purchasing public is interested in its associated goods or services. The local mark must confuse the public by reproducing, imitating or translating the foreign mark.

In determining whether a foreign well-known mark is likely to cause consumer confusion in connection with the goods or services pertaining to a local Sri Lankan business, there must be proof that the foreign mark is well known domestically. Local advertising, media coverage, publicity, market surveys and consumer awareness studies could provide such evidence of local reputation in the absence of registration and local use.

#### 2.5.4.2.5 Other third-party rights and unfair competition

Section 104(1)(e) of the IP Act states that a mark “which infringes other third-party rights or is contrary to the provisions of Chapter XXXII relating to the prevention of unfair competition” is not registrable. See [section 2.7.2](#).

In ***Crocodile International (PTE) Ltd v. LA COSTE and Director-General of Intellectual Property***,<sup>240</sup> Crocodile International (PET) Ltd appealed to the Commercial High Court against a decision of the Director-General refusing registration of its word mark (“Crocodile”) in Nice Class 18. LA COSTE objected to the registration of Crocodile International’s mark on several grounds of inadmissibility under sections 103 and 104 of the IP Act.

Crocodile International’s mark was a word mark “Crocodile”, while LA COSTE’s mark was a device comprising a picture of a crocodile. The two marks had been registered in Sri Lanka under Class 18 with respect to different goods:

- LA COSTE’s crocodile device (No.45498): 
- Crocodile’s word mark (No. 124130): **CROCODILE**

The Commercial High Court, affirming the Director-General’s decision to refuse the registration of Crocodile International’s mark, held as follows:

1. Crocodile International’s mark was inadmissible on objective grounds and by reason of third-party rights under sections 103(1)(d) and 104(1)(a) and (d) of the IP Act, as decided by the Director-General, for the following reasons.
  - (a) Crocodile International’s word “Crocodile” and LA COSTE’s device of crocodile had been registered in Sri Lanka under the same class and existed in Sri Lanka in respect of different goods. Crocodile International’s mark “Crocodile” had been registered in respect of wallets, while LA COSTE’s device of a crocodile had been registered in respect of trunks, traveling bags, bags, leather, imitation of leather and articles under Class 18, excluding wallets.
  - (b) Crocodile International had sought registration in respect of identical or similar goods to those in respect of which LA COSTE’s crocodile mark had been registered. Crocodile International was incapable of distinguishing the goods of LA COSTE from its own under section 103(1)(d). Crocodile International failed to show that consumers were able to distinguish the respective goods, despite the coexistence of the two marks in respect of the identical or similar goods, unless they were extremely vigilant as to the source of the goods.
  - (c) Crocodile International failed to substantiate its claim that LA COSTE’s marks were known as “alligator” or “Lacoste”.
  - (d) Both Crocodile International’s and LA COSTE’s marks were well known in various countries, including Sri Lanka. The registration of Crocodile International’s mark was likely to mislead the public regarding the origin of goods that were identical or similar to those of LA COSTE, in the absence of evidence demonstrating that the average

<sup>240</sup> High Court of the Western Province of Sri Lanka [2013]: *Crocodile International (Pte) Ltd v. LA COSTE and Director-General of Intellectual Property*, Case No. HC/Civil/17/2010/IP (unreported).

consumer in Sri Lanka was aware that Crocodile International's mark originated from a source distinct from that of LA COSTE.

2. The decision to refuse the registration of Crocodile International's mark was further justified by the fact that the registration of its "Crocodile" mark would infringe upon LA COSTE's rights and would amount to an act of unfair competition under Chapter XXXII of the IP Act. LA COSTE did not need to file a court action alleging unfair competition under section 160 of the Act to object to registration of Crocodile International's mark on this ground.
3. The mere extensive use of the mark for different goods in Sri Lanka or widespread use in other countries does not eliminate the potential for confusion among average consumers in Sri Lanka. Unless Crocodile International had provided credible evidence showing that the average consumer in Sri Lanka would not be misled by the coexistence of both marks, confusion remained a real possibility.

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#### 2.5.4.2.6 Marks applied for by agents or representatives

Section 104(1)(f) of the IP Act denies registration to a mark "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".

Factors to be considered in refusing registration include:

- the presence or otherwise of authorization from the owner of the mark;
- the potential impact on the true owner's rights; and
- any potential bad faith on the part of the agent or representative.

#### 2.5.5 Opposition

An opposition procedure offers third parties the opportunity to administratively challenge the registration of a trademark within a period of three months from the date of publication of the application on one or more of the grounds referred to in sections 103 or 104 of the IP Act.

Section 111(10) of the Act provides:

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.

Under section 111(11), if the Director-General has not received the notice of opposition within the period specified in section 111(10), they will register the mark.

Under section 111(12), if a valid notice of grounds of opposition is received within the period specified, the Director-General will serve a copy on the applicant and request that they present their observations in writing, accompanied by evidence, within a period of three months.

Section 111(13) provides that:

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 the 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.

## 2.5.6 Appeals

Section 173(1) of the IP Act permits any person aggrieved by any negative decision of the Director-General to appeal to the Commercial High Court within six months from the date of such decision.<sup>241</sup>

The procedure for such an appeal is set out in section 173(2)–(4) of the IP Act.

For further detail, see [Chapter 1, section 1.8.2](#), of this volume.

## 2.6 Rights conferred

### 2.6.1 Registered marks

#### 2.6.1.1 Exclusive rights

Registered trademark owners have several exclusive rights to control the use of their trademarks in connection with specific goods and services, as provided for in section 121 of the IP Act:

- (1) Subject and without prejudice to the other provisions of this Part, the registered owner of a mark has the following exclusive rights in relation to the mark:—
  - (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 [section 121(2)].

[ ... ]

#### 2.6.1.2 Licensing

Section 121(1)(c) of the IP Act thus grants the registered owner of a mark the exclusive right to conclude license contracts in relation to the mark.

A “license contract” is defined in section 124(1) of the Act to mean:

... 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 license to use the mark for all or part of the goods or services in respect of which the mark is registered.

Section 124(2) states that “[u]se of the mark by the licensee shall be deemed to be the use of the mark by the registered owner”.

<sup>241</sup> The “Court” in this section means the Provincial High Court of the Western Province, known as the Commercial High Court, established under art. 154P of the [Constitution](#): see [High Court of the Provinces \(Special Provisions\) Act, No. 10 of 1996](#), s. 2.

A license contract can be either exclusive or nonexclusive.

- If the license is **exclusive**, the licensor cannot – unless otherwise expressly agreed to in the contract – grant further licenses to third parties in respect of the same mark nor may the licensor themselves use the mark.<sup>242</sup>
- If the license is **nonexclusive**, the licensor can grant further licenses to third parties in respect of the same mark and the licensor may themselves use the mark.<sup>243</sup>

#### 2.6.1.2.1 Formalities for licensing

There are certain requirements with which parties must comply when executing and recording license contracts.

Under section 125(1) of the IP Act, all license contracts must be made in writing and must be signed by the contracting parties or their authorized agents.

Under section 125(2), registration or recording of a license contract is not mandatory for a licensing contract to be effective and enforceable. The recording of a license contract in the Register of Marks does, however, offer both licensors and licensees several advantages, in relation to:

- legal certainty;
- dispute resolution;
- enforceability against third parties;
- trademark renewal and maintenance; and
- avoiding nonuse by the registered owner.

The following points apply should the parties to a license contract wish to have it recorded.

1. An application for such recording must be submitted to the Director-General by means of a form and together with a fee prescribed in the Second Schedule to the 2006 IP Regulations.<sup>244</sup>
2. A copy of the license contract or the particulars to be recorded may be annexed to the application.<sup>245</sup>
3. The Director-General shall record such particulars relating to the contract in the Register of Marks as the contracting parties are willing to have so recorded.
4. The parties to the license contract are not required to disclose or record any particulars relating to the contract.
5. There is no separate registry of licenses; the recording is made in the Register of Marks.

#### 2.6.1.2.2 Rights of the licensee

Section 126 of the IP Act provides:

- In the absence of any provision to the contrary in the licence contract, the licensee shall –
- (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-licenses to third parties.

<sup>242</sup> IP Act, s. 127(2).

<sup>243</sup> IP Act, s. 127(1).

<sup>244</sup> IP Act, s. 125(2); Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (2006 IP Regulations), reg. 29(1), (3), Form M-08.

<sup>245</sup> *Ibid.*

### 2.6.1.2.3 Rights and limitations of the licensor

Section 127 of the IP Act provides for nonexclusive and exclusive licenses, respectively:

- (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.

### 2.6.1.2.4 Nullity of contracts or improper clauses or conditions

Section 128(1) of the IP Act provides that a license contract is void in the absence of stipulations ensuring the licensor's effective quality control of the goods or services in respect of which the mark may be used.

Under section 128(1), clauses or conditions in a license contract that impose upon the licensee restrictions that are not derived from the rights conferred by the Act on the trademark owner or which are unnecessary to safeguard such rights are deemed null and void.

The licensor may, however, impose:

- restrictions concerning the scope, extent and duration of use of the mark, or the geographical area in which, or the quality or quantity of, the goods or services to which the mark relates may be used; or
- obligations to abstain from all acts capable of prejudicing the validity of the registration of the mark.<sup>246</sup>

### 2.6.1.2.5 Cancellation by the Court

Section 129 of the IP Act provides that:

- 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—
- (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.

### 2.6.1.2.6 License contracts involving payments abroad

Under section 130(1) of the IP Act:

- 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...

Under section 130(2), if the Governor of the Central Bank in turn informs the Director-General in writing that the license contract, or amendment or renewal of the contract, is detrimental to the economic development of Sri Lanka, the Director-General must cancel and invalidate the record in the Register.

<sup>246</sup> IP Act, s. 128(2), proviso.

### 2.6.1.2.7 Effect of nullity of trademark registration

If the registration of a mark involving a license contract is declared null and void, the effect of that declaration is provided in section 131 of the IP Act:

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 license.

### 2.6.1.2.8 Recording of expiry, termination or invalidation

Section 132(a) of the IP Act provides that if the Director-General is satisfied that a recorded license contract has expired or been terminated, they must record that fact in the Register upon a request to that effect made in writing and signed by, or on behalf of, the parties to the contract.

Under section 132(b), the Director-General must also record in the Register the expiry, termination, annulment or invalidation of a license contract under any provision of Part V of the Act (on marks and trade names).

### 2.6.1.2.9 Sublicensing

A licensee may grant a sublicense to a third party in respect of the same mark if the contract permits them to do so (i.e., if it is a nonexclusive license). The provisions of the IP Act relating to trademark license contracts are applicable, *mutatis mutandis*, to sublicenses.<sup>247</sup>

### 2.6.1.3 Assignment

Under section 121(1)(b) of the IP Act, only the registered owner of a mark or their duly appointed agent is entitled to assign or transmit the registration, or application for registration, of a mark.

An assignment is an agreement that legally transfers ownership of a trademark from one person or entity to another. The owner of the trademark is called the assignor and the recipient is called the assignee.

A trademark assignment may involve:

- a complete assignment, with which the assignor gives all ownership rights over the mark, including the right to use, license and sell it, to the assignee;
- a partial assignment, with which the assignor transfers ownership of the mark in relation only to specific goods or services, or territories, and still retains their ownership rights in relation to other categories of goods or services, or territories; or
- assignment of the application for registration of the mark.

Registration, or the application for 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 some of the goods or services for which the application was filed or the mark registered.<sup>248</sup>

#### 2.6.1.3.1 Formalities for assignment

Under section 123(1) of the IP Act, an assignment or transmission must be in writing, signed by or on behalf of the contracting parties.

<sup>247</sup> IP Act, s. 130(4).

<sup>248</sup> IP Act, s. 123(1).

While section 123(3) suggests that the recording of an assignment or transmission is not mandatory, such recording has advantages and legal consequences, for the rights of the assignee against third parties are effective only if the assignment has been recorded in the Register.<sup>249</sup> Such a record also establishes and facilitates enforcement of the rights of the assignee and assignor over the trademark in a court or before the Director-General.

Section 123 of the IP Act provides the following guidance for recording an assignment or transmission.

- Any person who becomes entitled by assignment or transmission to registration, or an application for registration, of a mark may apply to the Director-General to have such assignment or transmission recorded in the Register.<sup>250</sup>
- To apply for such recording, the assignee or transferee, or their duly appointed agent, shall sign and forward their application to the Director-General, using the form prescribed and paying the prescribed fee.<sup>251</sup>
- The assignment shall be recorded in the Register of Marks. There is no separate register of assignment.

#### 2.6.1.3.2 Invalidity of assignment

Section 123(2) of the IP Act provides that “assignment or transmission shall be invalid if the purpose or effect thereof is to mislead the public, in particular in respect to the nature, source, manufacturing process, characteristics or suitability for their purpose of the goods or services to which the mark is applied”.

#### 2.6.1.3.3 Cancellation of assignment

Section 130(5) of the IP Act states that the provisions of section 130 shall, *mutatis mutandis*, apply to assignments and transmissions.

Under section 130(1)–(3) of the Act, the Director-General can cancel and invalidate the recording in the Register of such assignment and transmission upon receipt of any communication from the Central Bank that the assignment is detrimental to the economic development of Sri Lanka.

In addition, the Commercial High Court may annul and cancel an assignment, on the successful application of any person with a legitimate interest in the mark.

The Director-General may also act on order of the Court if the Court determines the assignment to be invalid.

### 2.6.2 Well-known marks

The owners of registered well-known marks have the same exclusive rights as the owners of other registered trademark under section 121 of the IP Act (see [section 2.6.1.1](#)).

Although not reserved expressly for well-known marks, section 121(2)(b) of the Act – which prohibits the use of a registered mark, 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 – is intended to protect a well-known registered mark from dilution (i.e., use that tarnishes, degrades or harms its reputation) even in the absence of a likelihood of confusion or similarity between the goods or services at issue.

As discussed in [section 2.5.4.2.4](#), section 104(1)(d) of the IP Act prohibits the registration of a trademark that is identical or misleadingly similar to a well-known trademark for identical or similar goods or services. For registered well-known marks, this prohibition is extended to

<sup>249</sup> IP Act, s. 123(5).

<sup>250</sup> IP Act, s. 123(3).

<sup>251</sup> IP Act, s. 123(4); 2006 IP Regulations, reg. 29(1), Form M-08.

identical or misleadingly similar marks for goods and services that are dissimilar to those in respect of which the well-known mark is registered.

Well-known marks, including those that are not registered, are also afforded protection under section 104(1)(e), which prohibits registration of a mark that would infringe other third-party rights or which is contrary to the provisions of Chapter XXXII of the Act relating to unfair competition (e.g., section 160(3)(b), which recognizes the concept of trademark dilution).

See [section 2.5.4.2.4](#) for a discussion of how a trademark is determined to be well known in Sri Lanka under the IP Act and [section 2.7.2](#) for a discussion of unfair competition.

In addition to actions under the IP Act, well-known marks that have earned goodwill in Sri Lanka – whether registered or not – can also be protected by means of a passing-off action in common law if another party uses an identical or similar mark that misleads consumers into thinking it is connected to or associated with the well-known mark. See [section 2.7.3](#) for a discussion of passing off.

Sri Lanka is a party to the TRIPS Agreement and the Paris Convention for the Protection of Industrial Property, which provide enhanced protection for well-known marks under their Article 16.2–3 and Article 6*bis*, respectively.

In ***Puma SE v. Naithi (Pvt) Ltd***,<sup>252</sup> the plaintiff, Puma SE, was the registered owner of the trademark “PUMA”. Puma instituted an action in the Commercial High Court, seeking declaratory and injunctive relief against the defendant, Naithi (Pvt) Ltd, for infringing its trademark by using an identical mark, in violation of section 121(2) of the IP Act. Additionally, Puma asserted that Naithi was “passing off” its goods as those of Puma and that such conduct constitutes acts of unfair competition under section 160(1)–(4) of the Act.

The Commercial High Court entered an *ex parte* judgment against Naithi, holding that:

1. Puma’s “PUMA” trademark is well known in multiple countries, including Sri Lanka;
2. Naithi was selling counterfeit products bearing a trademark identical or similar to the “PUMA” trademark and it was using it in a manner that was likely to mislead the consumer, in violation of section 121(2) of the IP Act; and
3. Naithi’s conduct was in bad faith, comprising an attempt to pass off its goods as those of Puma – conduct that constitutes an act of unfair competition under section 160(1)–(4) of the Act.

The Court considered the following products:

	Plaintiff's Original Products	Defendant's Infringing products
1.1 Front side of the T-shirt (Collar)		
1.2 Logo depicted in the T-shirt		
1.3 Back of the T-shirt (Shoulder area)		
1.4 Care label of the T-shirt		

252 High Court of the Western Province of Sri Lanka [2024]: *Puma SE v. Naithi (Pvt) Ltd*, Case No. CHC/048/2023/ IP (unreported).

### 2.6.3 Unregistered marks

The exclusive rights afforded to registered trademark owners under section 121 of the IP Act are not available to unregistered marks.

Those seeking protection of unregistered trademarks may do so under provisions of the IP Act that relate to unfair competition (see [section 2.7.2](#)).<sup>253</sup> They may also pursue common law causes of action, such as passing off (see [section 2.7.3](#)).

### 2.6.4 Territoriality of rights

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In *Stassen Exports Ltd v. Hebtulabhoy & Co. Ltd*,<sup>254</sup> the Supreme Court held that the exclusive rights recognized under section 117(2) of the then-applicable IP Code (which broadly corresponds with section 121(2) of the IP Act) are confined to the territorial boundaries of Sri Lanka and have no extraterritorial effect. (This is also true under the IP Act.)

The Court also held that the application of a registered trademark in Colombo on goods destined for export did not contravene section 117(2)(a), since granting protection in this circumstance would amount to restraining use of the trademark outside of Sri Lanka.

The interpretation of extraterritorial effect in this case was nullified by a subsequent amendment to the Code and by section 121(3) of the IP Act, which prohibits third parties in Sri Lanka from applying or affixing a trademark or any similar sign (through printing, painting or other means) resembling such mark in a way that is likely to mislead the public, whether the goods are intended for domestic sale or export.

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### 2.6.5 Exceptions and limitations

The exclusive rights granted to a registered owner of a mark are subject to certain limitations and exceptions.

#### 2.6.5.1 Use of the mark for identification or information

Under section 122(a) of the IP Act, the registered owner of a mark cannot prevent third parties:

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 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...

#### 2.6.5.2 Use of the mark for lawful goods

Under section 122(b) of the IP Act, the registered owner of a mark cannot prevent third parties “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”.

This exception is relevant to the principle of exhaustion (see below).

#### 2.6.5.3 Exhaustion and parallel imports

Trademark exhaustion, also known as the first sale doctrine, means that the trademark owner cannot prohibit the resale or further distribution of products they have consensually sold.

<sup>253</sup> IP Act, Chap. XXXII.

<sup>254</sup> Supreme Court of Sri Lanka [1994]: *Stassen Exports Ltd v. M.S. Hebtulabhoy & Co. Ltd*, Case No. SC/CHC/ Appeal/20/1989 (unreported).

Parallel imports, also known as grey market goods, are genuine products that have been legally manufactured but which the original manufacturer or authorized distributors did not intend to sell in the country to which third parties have imported them and in which they are now being sold. The legality of parallel imports is determined by the exhaustion regime of each territory, country or region.

On the one hand, the principle of national exhaustion means that the trademark owner's rights are exhausted only with respect to goods sold or authorized for sale within the country in which the trademark owner consented to put them on the market. In other words, the trademark owner cannot prevent the resale of such goods within the same country in which they were first sold, but they can restrict parallel imports of goods intended for sale or first sold in another country.

On the other hand, an international exhaustion regime exhausts the trademark owner's rights with respect to goods consensually placed or sold on the market anywhere in the world. This means that parallel imports are permitted – that is, that goods placed on the market with the trademark owner's consent anywhere in the world can be imported and resold domestically.

Section 122(b) is the only provision of the IP Act that relates to the question of trademark exhaustion. As quoted in [section 2.6.5.2](#) above, it provides that a registered trademark owner cannot stop third parties from using that mark in relation to goods lawfully manufactured, imported, offered for sale, sold, used or stocked under that mark in Sri Lanka, as long as the goods have not been changed in any way.

Although the provision is not entirely clear, the words “lawfully manufactured, imported, offered for sale, sold, used, or stocked in Sri Lanka” may suggest that the legislature intended to follow the principle of national exhaustion. “Lawfully imported” means that the importer has complied with all legal requirements governing the importing of goods into Sri Lanka, including IP laws.

The trademark owner's control over their goods is therefore likely exhausted only with respect to those goods they themselves placed on the market in Sri Lanka. It thus appears that parallel imports of trademarked products may not be permitted in Sri Lanka, as an exception to the trademark owner's exclusive rights.

#### 2.6.5.4 Honest concurrent user

“Honest concurrent user” refers to situations in which two parties have been using similar trademarks in good faith and with no intention of deceiving consumers. This usage must have occurred simultaneously and without conflict over a significant period.

For the “honest concurrent user” defense to apply, the use must have started before registration of the conflicting trademark and the initial use should not have been infringing.

The aim of the defense is to allow businesses that have coexisted peacefully with similar marks to continue their operations, provided that they can demonstrate good faith and lack of consumer confusion.

Although the IP Act does not provide for a statutory “honest concurrent user” defense, it has been recognized by the Supreme Court of Sri Lanka.

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In ***Alli Co. (Pvt) Ltd v. Mohamed Noohu Abdul Salam***,<sup>255</sup> the plaintiff, Alli Co., was the registered owner of the trademarks “ALLI BEEDI” and “Alli Suruttu” (Alli cigars). Alli Co. had been selling Alli beedis for the previous 45 years and Alli cigars for the previous 25 years.

The defendant, Salam, was the registered owner of the trademark “APLI”. Salam had been selling his beedis and cigars under the name of “Apli beedi” and “Apli cigars” for the previous 22 years.

<sup>255</sup> Supreme Court of Sri Lanka [2015]: *Alli Co. (Pvt) Ltd v. Mohamed Noohu Abdul Salam*, Case No. SC/CHC/Appeal/47/2008, 2 Cabral's IPLR 964.

Alli Co. claimed that Salam sold his beedis and cigars with similar ring labels in violation of sections 121 (on the rights of the registered owner of a mark) and 160 (on unfair competition and undisclosed information) of the IP Act.

The Commercial High Court found that while Alli Co. did not make out its case for trademark infringement, Salam's actions constituted unfair competition under section 160. Salam was, however, entitled to the defense of "honest concurrent user".

On appeal, the Supreme Court upheld the Commercial High Court's decision in relation to section 160, finding as follows:

1. The defense of "honest concurrent user" is available in the law of England, and IP law in Sri Lanka is based on that law.
2. When the IP Act is silent, the applicable English law should be applied, under the Introduction of Law of England Ordinance, No. 5 of 1852. The defense of "honest concurrent user" can therefore be applied in Sri Lanka.
3. Salam had been selling his beedis and cigars in covers under the names of "Apli beedi" and "Apli cigars" for the previous 22 years, and he had become the registered owner of the "Apli" mark in 1982.
4. Both brands (Alli and Apli) had been in the market for more than 22 years. Consumers who smoke beedis and cigars should therefore be aware of and conversant with both, and it was difficult to think that consumers were misled when they bought Apli brands.
5. In the circumstances, applying the principle relating to the defense of "honest concurrent user" was justified, even though it was not provided for under the IP Act.
6. If the Apli beedis and cigars had only just been sent to market, the situation would have been different, because consumers may not have been aware of the existence of the two different brands and hence may have confused one for the other.

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The "honest concurrent user" defense was recognized in Sri Lanka prior to the adoption of the IP Act, under section 19 of the Trade Marks Ordinance of Ceylon, 1927.

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The 1927 Trade Marks Ordinance was in force at the time of ***Kumaravel Nadar and others v. Sokkalar Ram***,<sup>256</sup> in which the plaintiff alleged that the defendants had infringed his two trademarks registered in respect of beedis and that they had passed off their beedis as his. The defendants claimed the defenses of "prior user" and "honest concurrent user".

The District Court held in favor of the plaintiff, stating that:

- the defendants had infringed the plaintiff's marks;
- there had been no prior or honest concurrent user; and
- the defendants had passed off their own beedis as the plaintiff's.

The Supreme Court allowed the appeal and dismissed the plaintiff's action, accepting both prior user and honest concurrent user defenses.

The Privy Council set aside both judgments and found that the Supreme Court had erred in its assessment of the evidence – primarily that concerning the defendants' prior use of the trademarks. It stated as follows:

1. Even if the defendants' mark was first used in Sri Lanka in 1916, there was no documentary evidence of a continuous user between that date and about 1930. The defendants had therefore not proved a user of their own mark prior to the user of the plaintiff's mark.
2. The defendants and other traders had been using marks resembling, to a greater or lesser degree, the trademarks of the plaintiff and the plaintiff had taken steps to prevent such use.

<sup>256</sup> Supreme Court of Sri Lanka [1939]: *Kumaravel Nadar and others v. Sokkalar Ram*, 47 NLR 149; Privy Council of the United Kingdom [1946]: *Subbiah Nadar v. Kumaravel Nadar and others*, Appeal No. 29 of 1940 (April 11, 1946) (unreported).

3. Although evidence that the plaintiff had been aware of a long concurrent user would have amounted to acquiescence and they would thereby have waived any right to object, no such evidence was adduced.
4. The plaintiff's and the defendants' marks shared overall similarity of design, and they were likely to cause confusion among consumers.
5. The defendants likely copied the plaintiff's trademarks intentionally: there was no other plausible explanation for the similarities between the marks and the defendants' failure to proactively contest the plaintiff's registration.

The Privy Council concluded that the defendants had infringed the plaintiff's trademarks and issued an injunction to prevent further such use.

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### 2.6.6 Duration of rights

Section 118(1) of the IP Act provides that the term of protection for a trademark is ten years from the date of registration.

Under section 119(1)–(2), the registration of a mark may be renewed for consecutive periods of ten years on payment of the prescribed fee each time without any further examination of the mark by the Director-General or opposition by any person.

Section 119(4) mandates that the Director-General must record all registration renewals in the Register and publish them in the Gazette in the prescribed form, specifying any removal from the lists of goods or services.

Section 119(3) provides that the renewal fee must be paid within the 12 months preceding the date of expiration of the period of registration, although a proviso grants a grace period of six months after that date.

Under section 119(5), if the renewal fee has not been paid before the grace period ends, the Director-General must remove the mark from the Register.

## 2.7 Interactions with other intellectual property rights and common law causes of action

### 2.7.1 Geographical indications

Trademarks and geographical indications (GIs) are different legal categories of distinctive sign and are recognized separately under the IP Act.

Both trademarks and GIs are source identifiers. A trademark identifies the commercial source of a good or service, while a GI identifies the geographical origin of a good when its quality, reputation or some other characteristic is essentially attributable to that origin.<sup>257</sup>

Although the conditions for protection, the scope of protection and the rights differ between the two, the subject of protection may, in certain cases, overlap. For example:

- a GI can be registered as a collective mark if the criteria for collective mark registration set forth in Chapter XXVIII of the IP Act and the 2006 IP Regulations are met; and
- a GI can be registered as a certification mark if the criteria for certification mark registration set forth in Chapter XXIX of the IP Act and the 2006 IP Regulations are met.

Certain provisions of the IP Act relating to trademarks are aimed at avoiding conflicts between trademarks containing geographical names and indications.

<sup>257</sup> IP Act, s. 101 (defining "trade mark"); Intellectual Property (Amendment) Act, No. 8 of 2022, s. 6 (s. 160A of the amended IP Act) (defining "geographical indication").

- Owners of collective marks and certification marks that serve in trade to designate the geographical origin of the goods and services may not prohibit the use of such a sign or indication in accordance with honest practices in industrial or commercial matters – particularly by a person who is entitled to use such a geographical name.<sup>258</sup>
- In general, a trademark that consists of or contains a GI cannot be registered if the use of such trademark would be misleading as to the true origin of the products on which the trademark is used, unless the geographical term is arbitrary and has acquired distinctiveness.<sup>259</sup>

Other conflicts can be resolved under the IP Act based on priority of application and the registrability principles set out in sections 103 and 104.

### 2.7.2 Unfair competition

Chapter XXXII of the IP Act addresses unfair competition. It is based on the WIPO Model Provisions on Protection Against Unfair Competition of 1996.<sup>260</sup> The chapter incorporates into Sri Lankan domestic law the obligations regarding unfair competition set out in Article 10*bis* of the Paris Convention (made applicable to WTO members through Article 2.1 of the TRIPS Agreement) and Article 39 of the TRIPS Agreement on undisclosed information.

Section 160(1)(a) defines an “act of unfair competition” as “[a]ny act or practice carried out or engaged in, in the course of industrial or commercial activities, that is contrary to honest practices”.

Three key elements must be satisfied to constitute an act of unfair competition – namely, it must be:

- an act or practice;
- contrary to honest practice; and
- carried out or engaged in, in the course of industrial or commercial activities.

The expression “practice” is used in addition to “act” to include omissions within the scope of section 160.

“Industrial or commercial activities” should be understood broadly to include not only the buying and selling of goods or services but also the activities of professionals, including lawyers and medical doctors in private practice. It does not matter whether the act or practice is for profit or not.<sup>261</sup>

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In *Sumeet Research & Holdings Ltd v. Elite Radio & Engineering Co. Ltd*,<sup>262</sup> the Supreme Court of Sri Lanka interpreted section 142 of the earlier Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) and reinstated a District Court order enjoining the defendant, Elite, from importing, advertising and selling in Sri Lanka mixers not manufactured by or under the authority of the plaintiff, Sumeet Research, bearing the trademark “SUMEET”.

Sumeet Research had registered the “SUMEET” trademark in India. Elite subsequently registered it in Sri Lanka, without Sumeet Research’s knowledge, after Elite became the sole agent in Sri Lanka for the importation and distribution of “SUMEET” machines manufactured under Sumeet Research’s authority.

Sumeet Research alleged that Elite had been importing mixers under the “SUMEET” name that had *not* been manufactured under its authority and filed actions in Sri Lanka for unfair competition and cancellation of Elite’s trademark.

<sup>258</sup> IP Act, ss. 138(3), 142(3).

<sup>259</sup> IP Act, ss. 102(3), 103(1)(f), 103(1)(h).

<sup>260</sup> WIPO, *Model Provisions on Protection Against Unfair Competition*, WIPO publication No. 832, Geneva: WIPO 1996.

<sup>261</sup> *Ibid.*, paras 1.04–05.

<sup>262</sup> Supreme Court of Sri Lanka [1995]: *Sumeet Research & Holdings Ltd v. Elite Radio & Engineering Co. Ltd* [1997] 2 Sri LR 393.

In finding that Sumeet Research had demonstrated a *prima facie* case of unfair competition under the IP Code, the Supreme Court found it “arguable” that trademark rights conferred by section 117 are not absolute but subject to sections 118 (limitations of registered owner’s rights) and 142 (unfair competition). Thus, even registered trademark owners must not engage in acts of unfair competition.<sup>263</sup>

The Court opined that the meaning of “contrary to honest practices in industrial or commercial matters” in section 142 entailed a higher standard of conduct, such as norms of business ethics, and did not merely restate existing legal obligations imposed by statute or common law. Such a standard of conduct should be interpreted in the contexts not only of protecting IP rights but also of safeguarding the rights and interests of consumers.<sup>264</sup>

The definition of an “act of unfair competition” in section 160(1)(a) of the IP Act is not limited to acts or practices involving direct competitors. The provisions also apply where an act is not directed against a competitor of the person who has committed the act but which act may nevertheless influence competition in the market by increasing the competitiveness of that person in relation to their competitors.<sup>265</sup> Unfair competition safeguards the interests of not only traders and service providers but also consumers.<sup>266</sup>

Section 160(2)–(6) of the IP Act enumerates a nonexhaustive list of actions that constitute “an act of unfair competition” as such, without the need for evidence that they are contrary to honest practices. This includes acts or practices that:

- cause confusion with respect to another’s enterprise or its activities;<sup>267</sup>
- damage another’s goodwill or reputation;<sup>268</sup>
- mislead, or are likely to mislead, the public in respect of another’s enterprise or its activities;<sup>269</sup>
- discredit, or are likely to discredit, another’s enterprise or its activities through false or unjustifiable allegations;<sup>270</sup> or
- result in the disclosure, acquisition or use by others of undisclosed information without the consent of the person lawfully in control of that information (see Chapter 5, section 5.4).<sup>271</sup>

Under section 160 of the IP Act, to constitute unfair competition, the intention, knowledge or belief of the defendant, or any similar element, is not relevant. It is sufficient if the act or practice complained of is in fact an act of unfair competition.<sup>272</sup>

Section 160(7) of the IP Act permits anyone aggrieved by an act or practice referred to in Part VIII of the Act (on unfair competition and undisclosed information) to institute a civil unfair competition action:

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.

<sup>263</sup> *Ibid.*, at 401.

<sup>264</sup> *Ibid.*, at 402.

<sup>265</sup> WIPO, *Model Provisions on Protection Against Unfair Competition*, WIPO publication No. 832, Geneva: WIPO 1996, paras 1.05–06.

<sup>266</sup> Supreme Court of Sri Lanka [2021]: *Viacom International Inc. v. The Maharaja Organization Ltd and another*, Case No. SC/CHC/Appeal/28/2003 (unreported) (Appeal No. 2), p. 42.

<sup>267</sup> IP Act, s. 160(2)(a). Section 160(2)(b) describes how confusion may be caused.

<sup>268</sup> IP Act, s. 160(3)(a). Section 160(3)(b) states that damage to another’s goodwill or reputation may result from dilution of the goodwill or reputation attached to a mark (whether registered or not), trade name or other business identifier, the appearance of a product, the presentation of goods or services, or a celebrity or a well-known fictional character. “Dilution of goodwill or reputation” is defined in s. 160(3)(c).

<sup>269</sup> IP Act, s. 160(4)(a). Section 160(4)(b) states that advertising and promotion may mislead the public with respect to specified aspects of products or services, thereby constituting an act of unfair competition.

<sup>270</sup> IP Act, s. 160(5)(a). Section 160(5)(b) states that advertising and promotion may discredit another’s enterprise or activities with respect to specified aspects of products or services, thereby constituting an act of unfair competition.

<sup>271</sup> IP Act, s. 160(6)(a). Section 160(6)(b) sets out circumstances that may involve the disclosure, acquisition or use of undisclosed information without the rightful owner’s consent, and s. 160(6)(c) describes the requisite characteristics of “undisclosed information”. The rights conferred by s. 160(6) are in addition to, and not in derogation of, any common law rights in confidential information.

<sup>272</sup> Supreme Court of Sri Lanka [1995]: *Sumeet Research & Holdings Ltd v. Elite Radio & Engineering Co. Ltd* [1997] 2 Sri LR 393, 405.

It is unclear how section 170 – a provision of Chapter XXXV that provides for a civil right of action and remedies for infringement – would apply in the context of unfair competition (see [Chapter 1, section 1.11.1](#)).

With respect to criminal enforcement, willful unlawful disclosure of undisclosed information is an offense. Section 160(8)(a) of the IP Act provides:

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.

The available defenses to an unfair competition action may include, depending upon the nature of the claim:

- no confusion or likelihood of confusion;
- no damage, or damage unlikely, to goodwill or reputation;
- no misleading of, or unlikely to mislead, the public;
- truth or justifiability of statement;
- statement does not, or is unlikely to, discredit;
- no disclosure, acquisition or use of undisclosed information; and
- consent or acquiescence.

The provisions of the IP Act on unfair competition apply independently of, and in addition to, other provisions of the Act protecting inventions, industrial designs, marks, trade names, GIs, literary, scientific and artistic works, and other IP rights.<sup>273</sup> They also provide a standard for the protection of trademarks and GIs.<sup>274</sup>

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In ***Malhotra International (Pvt) Ltd v. Anglo-Asian Distributors Ltd and another***,<sup>275</sup> the plaintiff was the owner of the trademark “TOPAZ” in respect of, *inter alia*, safety razors and safety razor blades. Anglo-Asian Distributors submitted applications to register “2PAS”, “2-PAZ” and “FOBAS”, also in respect of, *inter alia*, safety razors and safety razor blades.

Malhotra opposed Anglo-Asian’s applications.

The applications were refused in respect of “2-PAS” and “2-PAZ” but allowed for “FOBAS”.

Malhotra brought a civil action alleging that the registration of “FOBAS” was contrary to section 100(1)(e) of the Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) (currently, section 104(1)(e) of the IP Act), which forbade the registration of a mark contrary to the provisions of the chapter relating to the prevention of unfair competition. Section 142(2)(a) of the Code (roughly corresponding to section 160(2)(a) of the current IP Act), provided that acts of unfair competition included “acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods, services or the industrial or commercial activities of the competitor”.

The Supreme Court held that, in determining the existence of unfair competition, the Court must take into account not only the form in which the mark was applied for but also the actual use of the mark.

In this case, the documentary evidence revealed that Anglo-Asian Distributors had used a get-up and color scheme of labels or hanging cards for “FOBAS” that were deceptively similar to those of Malhotra’s mark “TOPAZ”.

<sup>273</sup> IP Act, s. 160(1)(b).

<sup>274</sup> IP Act, s. 104(1)(e); Intellectual Property (Amendment) Act, No. 8 of 2022, s. 9 (s. 161H(a)(ii) of the amended IP Act).

<sup>275</sup> Supreme Court of Sri Lanka [2000]: *Malhotra International (Pvt) Ltd v. Anglo-Asian Distributors Ltd and another* [2000] 3 Sri LR 117. See also Supreme Court of Sri Lanka [2021]: *Vicom International Inc. v. The Maharaja Organization Ltd and another*, Case No. SC/CHC/Appeal/28/2003 (unreported) (Appeal No. 2).

Considering such evidence led the Court to conclude that Anglo-Asian Distributors had engaged in acts creating confusion amounting to unfair competition within the meaning of section 142(2)(a) of the Code.

The “FOBAS” mark was denied registration.

The provisions of the IP Act on unfair competition apply in addition to, and are not in derogation of, common law rights in, for example, confidential information and common law causes of action, such as passing off.

### 2.7.3 Passing off

A passing-off claim is based on the premise that one party is misrepresenting its goods or services as being those of another, deceiving or confusing the public and damaging the goodwill or reputation of the other party.

The law of passing off, which is a form of tort known to the English common law, was described by Lord Langdale MR thus:

[A] man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practise such a deception ... He cannot therefore be allowed to use names, marks, letters, or other *indicia*, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person. ... I have no doubt that another person has not a right to use that name or mark for the purposes of deception...<sup>276</sup>

Case law developed under the former Trade Marks Ordinance<sup>277</sup> confirms that the tort of passing off is recognized in Sri Lanka.<sup>278</sup> It remains a remedy available under common law that coexists alongside statutory provisions in the IP Act.

Together with unfair competition, passing off may provide a remedy for misuse of unregistered trademarks and GIs.

In *Distilleries Company of Sri Lanka v. Randenigala Distilleries Lanka (Pvt) Ltd*,<sup>279</sup> the Supreme Court of Sri Lanka adopted the key elements of a passing-off claim set forth by the House of Lords of the United Kingdom in *Reckitt & Coleman Products Ltd v. Borden Inc.*<sup>280</sup> – namely:

- the claimant’s goods or services have acquired goodwill in the marketplace, distinguishing them from those of competitors;
- the defendant has misrepresented their goods or services (whether intentionally or unintentionally) in a way that is likely to lead the public to believe that they are those of the claimant; and
- the claimant has suffered actual damage or a reasonable likelihood of damage.

In the United Kingdom, the concept of passing off is not limited to the scenario in which one trader represents its goods as being that of another or to the representation of one person’s goods as those of another. It extends to businesses and services in circumstances in which the activities of one trader cause damage or injury to the businesses or goodwill associated with the activities of another trader or class of traders.<sup>281</sup>

276 High Court of Justice in England (Chancery Division) [1842]: *Perry v. Truefitt* [1842] 49 ER 749, [73].

277 Trade Marks Ordinance, No. 14 of 1888 (as amended).

278 Supreme Court of Sri Lanka [1918]: *Kapadiya v. Mohamed*, 20 NLR 314, 317.

279 Supreme Court of Sri Lanka [2014]: *Distilleries Company of Sri Lanka v. Randenigala Distilleries Lanka (Pvt) Ltd*, Case No. SC/CHC/Appeal/38/2010 (unreported), p. 4.

280 House of Lords of the United Kingdom [1990]: *Reckitt & Coleman Products Ltd v. Borden Inc.* (1990) 1 All ER 873. These three elements evolved from a five-element test set forth in House of Lords of the United Kingdom [1979]: *Erven Warnink B.V. v. J. Townend & Sons* [1979] AC 731.

281 House of Lords of the United Kingdom [1979]: *Erven Warnink B.V. v. J. Townend & Sons* [1979] AC 731.

The scope of passing off has also been extended in the United Kingdom beyond traditional trademark misuse or misappropriation to include areas such as false endorsement, promotional goodwill, character merchandising and other forms of misrepresentation likely to mislead the public.<sup>282</sup> These cases demonstrate that the claimant and defendant need not trade in the same or similar goods or services (i.e., a “common field of activity”); rather, a passing-off claim will succeed if the claimant proves:

- goodwill in their name, image or brand;
- misrepresentation by the defendant that is likely to lead the public to believe that there has been an endorsement, approval or association with the claimant; and
- damage to the claimant’s goodwill.

Goodwill is a prerequisite for a passing-off claim.<sup>283</sup> It is a proprietary right associated with the reputation, customer relationships and trust that a person or enterprise has earned in a particular locality or market.

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In ***Starbucks (HK) Ltd and another v. British Sky Broadcasting Group Plc and others***,<sup>284</sup> the U.K. Supreme Court clarified the limits of passing off in an increasingly globalized, online world, holding that the claimant must establish goodwill, not merely reputation, in the jurisdiction in which the claim was made.

The Court stated as follows:

- Mere reputation is not enough; the claimant must prove it has goodwill in the jurisdiction in which the claim was made, through the presence of clients or customers.
- Where the claimant’s business is abroad, it is not sufficient that people resident in the jurisdiction may be customers of the claimant when they go abroad.
- It could, however, be enough if people in the jurisdiction obtain the right to receive the claimant’s services abroad by booking or purchasing those services in the jurisdiction through someone acting for or on behalf of the claimant. It is not necessary for the claimant to have an establishment or offices in the jurisdiction.

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The defenses available to a passing-off action may include:

- no goodwill in the jurisdiction in which the claim was made;
- no misrepresentation;
- no confusion or deception;
- honest concurrent user (see section 2.6.5.4);
- consent or acquiescence; and
- no damage.

282 Court of Appeal of England and Wales [2003]: *Irvine v. Talksport Ltd* [2003] EWCA Civ 423; Court of Appeal of England and Wales [2015]: *Fenty v. Arcadia Group Brands* [2015] EWCA Civ 3.

283 Supreme Court of Sri Lanka [2014]: *Distilleries Company of Sri Lanka v. Randenigala Distilleries Lanka (Pvt) Ltd*, Case No. SC/CHC/Appeal/38/2010 (unreported), pp. 4–6.

284 Supreme Court of the United Kingdom [2015]: *Starbucks (HK) Ltd and another v. British Sky Broadcasting Group Plc and others* [2015] UKSC 31.

## Part II Challenges to the validity of a trademark

### 2.8 Removal or nullity

#### 2.8.1 Removal

##### 2.8.1.1 Jurisdiction and standing

The Director-General alone has the power to remove a mark from the Register for nonrenewal, as noted in [section 2.6.6](#).

The Director-General does not have authority to administratively remove or revoke a trademark registration. Section 136(1) of the IP Act grants only the Commercial High Court the jurisdiction to remove or cancel the registration of a mark on certain grounds:

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...<sup>285</sup>

The application for a removal of a mark can therefore be made by:

- any person showing a legitimate interest; or
- any competent authority, including the Director-General.

##### 2.8.1.2 Parties

Section 136(1) of the IP Act provides that the registered owner of the mark and every assignee, licensee or sublicensee on record shall be made party to a removal action.

##### 2.8.1.3 Grounds

A mark may be removed on the grounds of nonuse or genericization.

###### 2.8.1.3.1 Nonuse

Under section 136(1)(a) of the IP Act, a mark may be removed if the registered owner has, without valid grounds, failed to use the mark themselves or to license such use within Sri Lanka during the five consecutive years immediately preceding the date of the application to the Commercial High Court.

Section 136(2) provides that when the Court evaluates an application for removal of a trademark on grounds of its nonuse, it may consider whether that nonuse was the result of circumstances beyond the registered owner's control. It may not consider among those grounds a registered owner's lack of funds.

In addition, section 136(3)(a) sets out that use of the mark only in a form differing from the form in which it was registered, but where such differences do not alter the mark's distinctive character, shall not be a ground for removal.

Meanwhile, under section 136(3)(b), use in connection with only one of the goods or services belonging to any given class in respect of which the mark is registered shall suffice to prevent its removal in respect of all the other goods or services of the same class.

<sup>285</sup> IP Act, s. 136(1). The High Court established under art. 154P of the Constitution for a province empowered with civil jurisdiction under the [High Court of the Provinces \(Special Provisions\) Act, No. 10 of 1996](#), is known as the Commercial High Court.

### 2.8.1.3.2 Genericization

Under section 136(1)(b) of the IP Act, a mark may be removed 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 it is registered, so that, in trade circles and in the eyes of the public, its significance as a mark has been lost.

When the Commercial High Court evaluates an application for removal of a trademark for genericization, it must consider two elements:

- whether the trademark has become a generic name for the goods or services it represents, losing its trademark significance in trade circles and in the eyes of the public; and
- whether the owner caused, provoked or tolerated the genericization through inaction or improper use.

### 2.8.1.4 Decision

Under section 137(2) of the IP Act, if the Commercial High Court is satisfied that one of these two grounds have been demonstrated, it must communicate its removal decision to the Director-General, who must record the removal in the Register and publish the Court's decision in the Gazette.

Section 137(1) provides that the Court may determine the date on which the registration ceases to have any legal effect, taking into account the date of the events and other circumstances that justified the removal.

### 2.8.1.5 Appeal

Any person who is dissatisfied with any order made by the Commercial High Court may appeal to the Supreme Court against such order in terms of the provisions of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, read together with the procedure prescribed by Chapter LVIII of the Civil Procedure Code.<sup>286</sup>

## 2.8.2 Nullity

### 2.8.2.1 Jurisdiction and standing

Section 134(1) of the IP Act grants only the Commercial High Court jurisdiction to declare the registration of a mark null and void.

The section states that the application for a declaration of nullity of registration may be made to the Court by "any person showing a legitimate interest, or ... any competent Authority including the Director-General".

### 2.8.2.2 Parties

Section 134(1) of the IP Act further provides that the registered owner of the mark and every assignee, licensee or sublicensee on record shall be made party to the nullification action.

### 2.8.2.3 Grounds

The registration of a mark may be declared null and void if its registration is precluded under the following IP Act provisions:

- section 103 (objective grounds for refusal); or
- section 104 (relative grounds for refusal/third-party rights).

<sup>286</sup> [High Court of the Provinces \(Special Provisions\) Act, No. 10 of 1996, s. 5](#); [Civil Procedure Code \(CPC\), ss. 754–5](#).

The claimed grounds for refusal and nullification must have existed on the date of the application to the Court.<sup>287</sup>

#### **2.8.2.4 Statute of limitations**

Under section 134(3) of the IP Act, the application for a declaration of nullity of registration based on any of the grounds specified in section 104(1) must be made within five years of the date on which the certificate of registration of the mark was issued.

The IP Act does not specify a time period for making an application for a declaration of nullity based on section 103(1) (on marks inadmissible on objective grounds), however, and therefore such an application must be filed based on the law of limitation.<sup>288</sup>

#### **2.8.2.5 Declaration of nullity**

Section 135(1) of the IP Act provides that if the Commercial High Court is satisfied with the grounds of nullity, it will declare the registration of the mark null and void. 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.

Under section 134(2), if the grounds for nullity of registration of the mark exist in respect to only part of the goods or services for which the mark is registered, nullity of the registration shall be declared for only that part.

Section 135(2) sets out that when a declaration of nullity becomes final, the Registrar of the Court shall notify the Director-General, who shall record that declaration in the Register and publish it in the Gazette.

#### **2.8.2.6 Appeal**

Any person who is dissatisfied with any order made by the Commercial High Court may prefer an appeal to the Supreme Court in terms of the provisions of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, read together with the procedure prescribed by Chapter LVIII of the Civil Procedure Code.<sup>289</sup>

#### **2.8.2.7 Defenses**

The available defenses may include:

- registration subject to limitation;
- that there are no grounds for nullity under sections 103(1) or 104(1);
- consent or agreement between the parties; and
- a time bar (i.e., that the action was not filed within five years of the date of issue of the certificate of registration or other applicable limitation period).

<sup>287</sup> IP Act, s. 134(1), proviso.

<sup>288</sup> Prescription Ordinance (Chap. 81).

<sup>289</sup> High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, s. 5; Civil Procedure Code, ss. 754–5.

### 2.9 Trademark-specific considerations in civil judicial infringement proceedings

A civil trademark infringement action allows the registered trademark owner to initiate legal proceedings against a third party who is using the trademark without authorization and in violation of the owner's exclusive rights. The action seeks to prevent the unauthorized use of the trademark and to protect the owner's legal rights against such infringement.

#### 2.9.1 Acts of infringement

Infringement of a trademark right is not defined by the IP Act.

Section 170(1) of the Act, which provides a cause of action based on actual, threatened and/or possible infringement, does not define what constitutes an infringement of trademark rights. What constitutes infringement of a trademark right is therefore to be gathered from the exclusive rights conferred on the owner of a registered trademark provided for in section 121.

Section 121(1) recognizes three exclusive rights in relation to a mark of its registered owner – namely:

- the right to use the mark;
- the right to assign or transmit the registration of the mark; and
- the right to conclude license contracts in relation to the mark.

Section 121(2) allows the owner of a registered mark to preclude third parties from:

- (a) any use of the trademark, 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 the use of the mark or sign is likely to mislead the public; and
- (b) any other use of a 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.

Under section 121(3), it is also prohibited for a third party in Sri Lanka to apply or affix a trademark or any sign (through printing, painting or other means) resembling such a mark in a way that is likely to mislead the public. This applies to goods for which the trademark is registered, whether the goods are intended for domestic sale or export.

The commission of any of these acts would amount to an act of infringement.

A civil action for infringement can be brought under section 170(1) of the IP Act on the basis of actual (or direct), threatened and/or possible (or potential) infringement.

- **Actual (or direct) infringement** occurs when a person is actively using a registered trademark, or one that resembles it, without authorization and in such a way that misleads or is likely to mislead the public (e.g., any person who is selling a beverage in the local market using the famous registered mark "Coca-Cola").
- **Threatened infringement** occurs when any person indicates or implies, either explicitly or implicitly, that they intend to infringe upon another person's IP rights in the future. For example, imagine that a new footwear company announces that it will launch a new footwear product shortly under the name "Nikiii". While the new company has not yet launched the new product, it has indicated its clear intention to launch a new product bearing a trademark misleadingly or confusingly similar to that of well-known footwear product "Nike".
- **Possible (or potential) infringement** occurs when a person's actions, conduct or indirect signs suggest a possibility or allow for reasonable inference that they may infringe a registered trademark, even though that infringement has not yet occurred. For example, imagine that the design and marketing plan of a newly established fast-food chain includes a new "Double-Double Chicken Burger" with a similar name and logo to that of the well-known McDonald's "Double McChicken" brand. Even though the new company has not yet

introduced its chicken burger, it can reasonably be inferred that it plans to take actions that might infringe McDonald's trademark.

Trademark owners can strengthen their trademarks and improve their likelihood of success in an infringement dispute (civil or criminal) by using their mark regularly and policing its use by others.

Regular use of a mark will help its owner to:

- establish its ownership of the trademark;
- defend against allegations of invalidity on grounds of nondistinctiveness;
- demonstrate a likelihood of misleading or confusing consumers, since consumers are more likely to recognize and associate with their owners those trademarks that are in regular use;
- establish and gain additional protection of the mark as a well-known mark; and
- defend against arguments of nonuse or abandonment.

Among the specific types of infringement that might occur or be alleged are counterfeiting and cybersquatting.

### 2.9.1.1 Counterfeiting

Counterfeit trademark goods are fake or fraudulently manufactured goods made to look like genuine goods of an established brand, offered for sale at a lower price point, but intended to mislead consumers into believing that the product is authentic (i.e., produced by the registered trademark owner).

Footnote 14(a) to Article 51 of the TRIPS Agreement defines "counterfeit trademark goods" as meaning:

any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation...

Section 207 of the IP Act of Sri Lanka, inserting section 125A(4) into the Customs Ordinance (Chap. 235), defines counterfeit goods similarly:

"Counterfeit trade mark goods" mean any goods including packaging, bearing without authorization a trade mark which is identical to the 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 trademark recognised by the Act.

In terms of this definition, a "counterfeit trademark good" is:

- any good or its packaging;
- bearing a trademark;
- that is identical to or cannot be distinguished in its essential aspects from a registered trademark;
- whose registration is in respect of such goods;
- without authorization of the owner of the registered trademark.

Under the IP Act, read in conjunction with the Customs Ordinance, goods satisfying each of these elements infringe the rights of the owner of the trademark recognized under the IP Act.

The rightful owner of the trademark can seek legal remedies under section 170(1) for the infringement of their rights under section 121(2)(a) and (b). The words "any use of the mark" in section 121(2)(a) includes import, export, distribution, offering for sale and sale of counterfeit goods.

Actual confusion is not required and misleading of the public is presumed under section 121(4).

Affixing a trademark to counterfeit goods is also an act of infringement under section 121(3).

Sections 125A and 125B of the Customs Ordinance, as inserted by section 207 of the IP Act, also prohibit the import or export of counterfeit trademark goods in violation of the provisions of the IP Act. Such goods are prohibited under sections 43 and 44 of, and Schedule B to, the Customs Ordinance.<sup>290</sup>

Counterfeiting is also a criminal violation of the IP Act, and it can do significant financial and reputational damage to the original trademark owner.

### 2.9.1.2 Cybersquatting

Cybersquatting generally refers to the fraudulent practice of registering a domain name that is identical or confusingly similar to a registered trademark with an intent to either:

- sell the domain name to the trademark owner at a high price; or
- confuse online users and hence profit from the goodwill the trademark has established.

A domain name is an address used to access a website on the Internet. A domain name serves as a business identifier that informs Internet users of the subject of the trade or service offered on the site. It has all the characteristics of a trademark or service mark within the meaning of sections 101 and 102(3) of the IP Act.

Because, by nature, domain accessibility defies borders, domain names are regulated and protected with a combination of international and national legal frameworks.

At the international level, the Internet Corporation for Assigned Names and Numbers (ICANN) provides management and rights protection systems. The World Intellectual Property Organization (WIPO) supports dispute resolution through its administration of the Uniform Domain Name Dispute Resolution Policy (UDRP).<sup>291</sup>

At the national level, most trademark laws allow owners to enforce their rights against infringing domain name registrations.

In Sri Lanka, trademark owners may address cybersquatting through legal provisions and the remedies available through the domain name registration system and the IP framework. Although the IP Act does not specifically address cybersquatting, its protections extend to infringement in the context of domain names.

A registered trademark owner may be able to prevent third parties from cybersquatting under section 121(2) of the Act. Section 121(2)(a) protects registered trademark owners by preventing third parties from using marks or signs that closely resemble the registered mark if such use could mislead the public. This applies to the goods or services for which the mark is registered, or similar goods or services in relation to which the public might be confused.

Under section 121(2)(b) of the Act, the registration of a domain name and its deceptive use of a similar registered mark might constitute an act of infringement if it is used without just cause and in conditions likely to be prejudicial to the interests of the registered owner of the mark, such as because it takes unfair advantage of the mark's distinctive character and reputation. The use does not need to cause consumer confusion to constitute infringement.

If the domain name is being used to mislead consumers or to profit unfairly from the reputation of a trademark in the course of commercial activities, it could also be considered an act of unfair competition, prohibited under section 160 of the IP Act.

<sup>290</sup> IP Act, ss. 206–7, amending the Customs Ordinance.

<sup>291</sup> Sri Lanka is a member of the World Intellectual Property Organization (WIPO) and the Internet Corporation for Assigned Names and Numbers (ICANN), and it can follow international guidelines for cybersquatting disputes. Parties may avail themselves of the Uniform Domain Name Dispute Resolution Policy (UDRP) for the resolution of disputes concerning a domain name registered under a generic top-level domain (gTLD) or a country code top-level domain (ccTLD) whose registration authority has adopted the UDRP. To date, the LK Domain Registry has not adopted the UDRP and thus disputes involving the .LK ccTLD are not eligible for resolution via the UDRP.

If the domain name is being used to mislead consumers or to profit unfairly by misrepresenting goods or services in a way that deceives or confuses the public, thereby damaging the goodwill of another party's established mark, the common law action of passing off may be a remedy for trademark owners facing cybersquatting.

Cybersquatting may also constitute criminal infringement under the IP Act or false representation, cheating, fraud or dishonest misrepresentation under the Penal Code Ordinance, No. 2 of 1883, as amended (the Penal Code).

Trademark owners in Sri Lanka are entitled to the following remedies to combat cybersquatting:

- injunctions, damages, or transfer to the trademark owner or cancellation of the domain name in civil actions; and
- imprisonment, fines and other remedies in criminal cases.

#### 2.9.1.2.1 The Sri Lanka Domain Name Registration System and Policy

In Sri Lanka, the LK Domain Registry registers and regulates domain names ending in the country code top-level domain .LK.<sup>292</sup>

The Sri Lanka Domain Name Registration Policy includes provisions that address disputes over domain names, including cybersquatting.<sup>293</sup>

Domain names may be used only for legitimate purposes under the laws of Sri Lanka and in accordance with LK Domain Registry policies. Domain names used in illegal or unethical activities, or for infringing others' IP rights, may be deregistered or transferred to the IP right holder.<sup>294</sup>

A domain name should not contain trademarks belonging to other parties or words that are prohibited in business names unless the person applying for the domain has legal permission to use those words. A registered domain name that has been proven to infringe upon a third party's trademark rights will be either canceled or transferred to the trademark owner.<sup>295</sup>

The LK Domain Registry does not itself conduct or participate in dispute resolution. In the event of a dispute, it may suspend the domain name at issue until the dispute has been resolved by the parties, whether that resolution occurs amicably or through arbitration, mediation or the courts.<sup>296</sup>

#### 2.9.1.3 Unlawful use of trade names

A trade name is a "name or description identifying the enterprise of a natural or legal person". A trade name identifies the enterprise (business) itself rather than specific goods or services.<sup>297</sup>

Trade names are protected, regardless of registration, against unauthorized use by a third party that is likely to mislead the public. This protection is an effort to ensure fair competition and to prevent consumer confusion.

<sup>292</sup> See [www.domains.lk](http://www.domains.lk).

<sup>293</sup> See [www.domains.lk/domain-registration-policy/](http://www.domains.lk/domain-registration-policy/).

<sup>294</sup> *Ibid.*

<sup>295</sup> *Ibid.*

<sup>296</sup> *Ibid.*

<sup>297</sup> IP Act, s. 101.

Section 144 of the IP Act provides:

- (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.

## 2.9.2 Establishing infringement

In an action for trademark infringement, the burden of proof lies with the plaintiff (the owner of the mark).

### 2.9.2.1 Ownership of a valid mark

The plaintiff must establish that they are the registered owner of a valid, protectable trademark. To do so, section 165 of the IP Act provides that they may produce the certificate of registration issued by the Director-General, which is *prima facie* evidence of the validity of the mark, its registration and the registrant's ownership of the mark.

Once the registration certificate has been produced, the burden shifts to the defendant to present evidence that the mark is invalid and should have been refused registration on the grounds specified in sections 103(1) or 104(1) of the IP Act.

### 2.9.2.2 Defendant's use of a mark

The plaintiff must establish that the defendant is using the mark without their consent (or the consent of the registered owner), in contravention of section 121(2) or (3) of the IP Act.

Most infringement claims allege violations of section 121(2)(a), which requires the plaintiff to demonstrate that the defendant's use of the mark – or one that resembles it – is likely to mislead the public. In these cases, the plaintiff should present evidence addressing:

- the similarity of the marks;
- the similarity of goods or services and their competitive proximity;
- the distinctiveness of the plaintiff's mark;
- consumer knowledge and ultimate purchasing context; and
- secondary factors regarding similarity.

For more on these factors and the tests to be applied by a court in these regards, see [section 2.5.4.2.3](#).

Section 121(4) of the IP Act provides that “[t]he 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”.

For this presumption to apply, the trademark owner must first prove the identity of the marks and the goods or services for which they have been used. Once this has been demonstrated, the likelihood of public confusion or misleading the public is presumed and the burden shifts to the alleged infringer. The alleged infringer must then prove that there is no reasonable probability that the public will be misled by their use of its mark.

### 2.9.3 Defenses

The following defenses may be available in response to an allegation of civil trademark infringement:

- a lack of standing (see [Chapter 1, section 1.9.2](#), for a discussion of standing in civil judicial infringement proceedings);
- a lack of registration or ownership;
- invalidity;
- no likelihood of misleading or of confusion;
- authorization or permission;
- insufficient evidence; and
- noninfringement or permitted use under section 122 of the IP Act.

### 2.9.4 Select case law

#### 2.9.4.1 Likelihood of confusion

In *Distilleries Company of Sri Lanka Ltd v. Randenigala Distilleries Lanka (Pvt) Ltd*,<sup>298</sup> the Supreme Court of Sri Lanka held as follows:

1. There can be infringement of a trademark only when there exists a likelihood of confusion. The likelihood of confusion has to be assessed taking into consideration:
  - (a) the degree of similarity between the relevant trademarks;
  - (b) the degree of similarity between the relevant items; and
  - (c) the perception of the marks in the minds of the average consumer of the goods in question.
2. The question of whether the respondent's label is likely to mislead or cause confusion cannot be decided only on the basis of a side-by-side comparison; rather, the test should be that when an average customer who sees one bottle in the absence of the other would be in a position to recollect the other based on the imperfect picture of the bottle they had kept in their mind. In other words, it is necessary to refer to the recollection of mind's eye and not to conduct side-by-side comparisons.

In *Société des Produits Nestlé, SA v. Multitech Lanka (Pvt) Ltd*,<sup>299</sup> the plaintiff company, Nestlé, had been selling chocolate beans in Sri Lanka under the registered trademark "Smarties" in a brightly colored cylindrical container. The rival defendant company, Multitech, started importing similar chocolate beans from Australia, packing and selling them as "Sweeties" (an unregistered trademark) in a similarly colored oblong box. Nestlé claimed that Multitech's product was confusingly similar to its own and likely to mislead the public and create unfair competition, violating Nestlé's registered trademark rights.

The High Court applied a side-by-side comparison test, holding that the marks were not, *prima facie*, identical or confusingly similar and refused to grant an interim injunction on the ground, *inter alia*, that the marks were not similar.

The Supreme Court rejected the side-by-side comparison, holding that the case could not be decided by simply totting up and weighing resemblances and dissimilarities between the marks in such a way, because the customer buying goods will not have the opportunity to make such a comparison. The Court instead alluded to the test of imperfect recollection (see section 2.5.4.2.1.2) and stated that the question would depend on the consumer's recollection of the "outstanding characteristics" of the mark.

<sup>298</sup> Supreme Court of Sri Lanka [2006]: *Distilleries Company of Sri Lanka Ltd v. Randenigala Distilleries Lanka (Pvt) Ltd* [2006] BLR 21, 2 Cabral's IPLR 736.

<sup>299</sup> Supreme Court of Sri Lanka [1999] *Société des Produits Nestlé, SA v. Multitech Lanka (Pvt) Ltd* [1999] 2 Sri LR 298.

In granting an interim injunction, the Court held that the High Court should have considered that the white letters of “Smarties” and their chocolate-brown surround were distinct, and that Multitech had incorporated these features from Nestlé’s mark, as well as whether the use of these features in a very similar and distinctive background was, *prima facie*, a deliberate “taking” of the idea or concept of Nestlé’s trademark.

#### 2.9.4.2 Well-known marks

In ***Puma SE v. Naithi (Pvt) Ltd***,<sup>300</sup> the plaintiff was the registered owner of the trademark “PUMA”. Puma instituted an action in the Commercial High Court, seeking declaratory and injunctive relief against the defendant, Naithi (Pvt) Ltd, for infringing its trademark by using an identical mark, in violation of section 121(2) of the IP Act. Additionally, Puma asserted that Naithi was “passing off” its goods as those of Puma and that such conduct constitutes acts of unfair competition under section 160(1)–(4) of the Act.

The Commercial High Court entered an *ex parte* judgment against Naithi, holding that:

1. Puma’s “PUMA” trademark is well known in multiple countries, including Sri Lanka;
2. Naithi was selling counterfeit products bearing a trademark identical or similar to the “PUMA” trademark and it was using it in a manner that was likely to mislead the consumer, in violation of section 121(2) of the IP Act; and
3. Naithi’s conduct was in bad faith, comprising an attempt to pass off its goods as those of Puma, which conduct constitutes an act of unfair competition under section 160(1)–(4) of the Act.

#### 2.9.4.3 Trade names

The protection of a trade name under section 144 of the IP Act and the honest and *bona fide* use by a third party under section 122 of the IP Act were considered by the Commercial High Court in ***Dedigama Group (Pvt) Ltd and another v. D.A.C.P. Dadigama Pawning Center (Pvt) Ltd***.<sup>301</sup>

The plaintiffs, Dedigama Group (Pvt) Ltd and its managing director, instituted an action asserting that the defendant, D.A.C.P. Dadigama Pawning Center (Pvt) Ltd, was emulating their trade names, trademarks and signage, constituting:

- (a) trade name infringement under section 144 of the IP Act;
- (b) trademark infringement under section 121 of the IP Act; and
- (c) unfair competition under section 160(1)–(4) of the IP Act.

The plaintiffs’ trademarks included “Dedigama” for jewelry and gems, and “Dedigama” and “Dedigama Pawning Center” for pawn brokering. The plaintiffs’ trade names included “Dedigama”, “Dedigama Pawning Center”, “Dedigama Gold Loan Center”, and “Dedigama Pawn Brokers”.

Dedigama Group claimed exclusive right to the trade name “Dadigama” or “Dadigama Pawning Center” on the ground that it had been engaged in the pawning and jewelry business in Sri Lanka for over 70 years, and had been using the well-known trade name “Dedigama”, which was coined after the surname of its managing director (the second plaintiff), for 32 years.

The Group asserted that its “Dedigama” brand had grown into a household name in Sri Lanka in the pawning and jewelry industry, and that it had acquired distinctness, goodwill and reputation by long and uninterrupted use in Sri Lanka.

<sup>300</sup> High Court of the Western Province of Sri Lanka [2024]: *Puma SE v. Naithi (Pvt) Ltd*, Case No. CHC/048/2023/ IP (unreported).

<sup>301</sup> High Court of the Western Province of Sri Lanka [2024]: *Dedigama Group (Pvt) Ltd and another v. D.A.C.P. Dadigama Pawning Center (Pvt) Ltd*, Case No. HC/Civil/14/2024/IP (unreported).

The defendant, D.A.C.P. Dadigama Pawning Center (Pvt) Ltd, initially commenced business as a gold jewelry pawning business using the trade name, "DADIGAMA PAWNING CENTER (PVT) LTD", and a trademark in the shape and/or form of a blue-and-white diamond, topped by the capital letters "D A C P". The mark had been registered subject to the condition that "the registration of the mark shall give no right to the word 'Dedigama' separately and apart from the mark and other descriptive words". The defendant asserted that the plaintiffs' trademarks were in contravention of the mandatory provisions of section 103(1)(a)-(d) and (g)-(h) of the IP Act.

The Commercial High Court held as follows:

1. Dedigama Group was the first to adopt the trade names "Dedigama", "Dedigama Pawning Center", and "Dedigama Gold Loan Center". The defendant used "DADIGAMA PAWNING CENTER (PVT) LTD" in English, Sinhala and Tamil as per its business name.
2. The defendant's use of a trade name that is identical to the plaintiffs' trade name - the only changes being addition of the 'Pvt Ltd' and substituting 'a' for 'e' in the first word - infringed the plaintiffs' trade name under section 144 of the IP Act.
3. The defendant admitted to using this identical trading name, "Dadigama Pawning Center (Pvt) Ltd", for the identical business of pawn brokering.
4. Under section 121(3) and (4) of the Act, a court shall presume the likelihood of misleading the public in instances in which a person uses a mark identical to a registered mark for identical goods or services in respect of which that mark is registered. As such, no third party had the authority to use the plaintiff's registered mark "Dedigama Pawning Center" in connection with a pawn-brokering business and the defendant's acts constituted direct infringement.
5. The defendant was not an honest concurrent user. The defendant had adduced no evidence to show that it had been in business for 30 years. Because it was incorporated only in 2016, its assertion that it had been conducting business since 1994 was unsubstantiated.
6. The defendant's full name was given as "D.A.C.P. Dadigama Pawning Center (Pvt) Ltd". Admittedly, it was not using its full name, but it was conducting an identical business in close proximity to that of the plaintiffs, and with a corporate name that was identical to the corporate and trading names of the plaintiffs. Such adoptions can be considered *mala fide* rather than *bona fide*.
7. *Prima facie*, the plaintiffs had acquired secondary meaning in the words "pawning center" by means of its long use and reputation in the market.
8. There was a marked difference between the two trademarks when they were taken separately - namely, without the trade name and sign boards. Nevertheless, the trade name, which was identical ("DEDIGAMA PAWNING CENTER"), was prominently visible and the defendant had failed to show that any added matter was sufficient to distinguish its goods and services from those of the plaintiff.

The Court granted an interim injunction preventing the defendant from promoting and advertising its goods and services using the name "Dadigama", because it contained an adaptation of the plaintiffs' trade names - but the injunctions did not prevent the defendant from using its diamond shape mark.

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## 2.10 Trademark-specific considerations in criminal infringement proceedings

The IP Act recognizes several types of criminal offense involving registered marks and related matters.

### 2.10.1 Criminal offenses

#### 2.10.1.1 Infringement

Section 184 of the IP Act states:

Any person who willfully 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 [LKR 500,000] 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.

The following elements must be proven in a criminal infringement prosecution:

- the complainant's ownership of a registered trademark;
- infringement of the rights of the registered owner, assignee or licensee of any such mark (*actus reus*); and
- that the infringement was done willfully (*mens rea*).<sup>302</sup>

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In **James Fernando v. OIC SCIB Negombo**,<sup>303</sup> the accused was charged with willfully infringing two registered trademarks in violation of section 117(2) of the then-applicable IP Code (akin to section 121(2)(b) of the current IP Act), read together with section 150 (criminalizing infringement and akin in relevant part to section 184 of the current IP Act).

The complainant had registered as a trademark a beedi label consisting of the words "beedi" written in Sinhala and Tamil on a blue background on either side of a drawing of a white fish on which the word "Mora" was written in Sinhalese in red letters.

The Court of Appeal held that the protection provided to the registered owner under section 117 extended only in circumstances in which the mark he actually used conformed strictly with the representation of his registered trademark. The infringement conviction with respect to this trademark was therefore dismissed on the ground that the accused could not be found guilty of using a mark that resembled the complainant's mark if the mark the complainant himself used was not exactly the same as his registered trademark.

In upholding the conviction for infringing a second and different registered trademark applied to bulk packaging wrappers, the Court of Appeal, referring to *Suby and another v. T. Suby Ltd*,<sup>304</sup> reasoned as follows:

1. Although two marks may exhibit differences when placed side by side, the main idea left on the mind by both may be the same.
  2. A person acquainted with one mark and not having the two marks side by side for comparison might be deceived, and it should not be assumed that customers will make a careful or intelligent examination of the mark.
  3. Courts must also consider the class of persons to whom the goods are sold.
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<sup>302</sup> Court of Appeal of Sri Lanka [1990]: *Leelananda v. Earnest De Silva* [1990] 2 Sri LR 237.

<sup>303</sup> Court of Appeal of Sri Lanka [1994]: *James Fernando v. IOC SCIB Negombo* [1994] 3 Sri LR 35.

<sup>304</sup> Court of Appeal of Sri Lanka [1979]: *Suby and another v. T. Suby Ltd* [1980] 2 Sri LR 65.

In *Leelananda v. Earnest De Silva*,<sup>305</sup> the complainant registered two trademarks, “මැණික” and “මණික”, and used them on the soap he manufactured. The accused, who was originally the complainant’s employee, set up a soap factory and marketed a soap that was slightly different in color from that of the complainant and under the name “මැණික”, which was pronounced slightly differently from the complainant’s marks.

The complainant charged the accused on two counts:

- willful infringement of its registered mark, under the then-applicable section 150 of the IP Code (akin in relevant part to section 184 of the current IP Act); and
- using a mark so nearly resembling the complainant’s registered mark as to be likely to mislead the public, under section 152(1)(b) of the Code.

The magistrate found the accused guilty and the accused appealed.

The Court of Appeal upheld the convictions.

In so doing, the Court found that criminal infringement under section 150 grounded upon a violation of the complainant’s rights under section 117(2)(a) of the IP Code (akin in relevant part to section 121(2)(a) of the current IP Act) does not require that the impugned mark must be an exact copy or a facsimile of the registered mark; rather, the offense extends to situations in which any sign resembling the registered mark is used in such a way as to be likely to mislead the public. The prohibition is directed not only at a sign that bears a visual resemblance but also to a sign that has a phonetic resemblance to the registered mark.

In this case, held the Court, the magistrate had applied the correct test (i.e., looked at the proximity of the resemblance between the two marks and whether members of the public could be deceived into buying the accused’s products) to conclude that there was a likelihood of the public being misled by the accused’s mark.

### 2.10.1.2 Other trademark offenses

#### 2.10.1.2.1 False representation

The false representation of a mark is a separate offense under section 185(1) of the IP Act, which states:

Any person who, for industrial or commercial purposes, makes a representation—

- (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 [LKR 500,000] or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

In a prosecution for false representation, both *actus reus* and *mens rea* must be proven – that is, that:

- the accused, for industrial or commercial purposes, made a representation in respect of the prohibited acts specified in section 185(1)(a)–(c) (*actus reus*); and
- the accused knew that they were making a false representation regarding a registered mark, as specified in section 185(1)(a)–(c) (*mens rea*).

305 Court of Appeal of Sri Lanka [1990]: *Leelananda v. Earnest De Silva* [1990] 2 Sri LR 237.

Since the requisite mental state (*mens rea*) is left unspecified in section 185, knowledge is required. This is a lower standard than for offenses under section 184, which expressly requires willfulness (intent).

#### 2.10.1.2.2 Forgery or counterfeiting

Section 186(1) of the IP Act criminalizes forgery of a mark, falsely applying a mark or trade description to goods and making, possessing or disposing instruments for the purpose of forging a mark:

Any person who—

- (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.

Under section 186(4), any person who is convicted of such an offense shall be liable to a fine not exceeding LKR 500,000, to imprisonment for a term not exceeding two years or to both. In the case of a second or subsequent conviction, the fine or imprisonment may be doubled.

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In *Leelananda v. Earnest De Silva*,<sup>306</sup> the accused was charged with, among other things, committing an offense under section 152(1)(b) of the then-applicable IP Code (equivalent to section 186(1)(b) of the IP Act) for using a mark so closely resembling the complainant's registered mark as to be likely to mislead.

The Court of Appeal held that the accused knew he was falsely applying a mark resembling the registered mark (i.e., knowledge and not willfulness) and stated that:

The two offences (under [sections] 150 and under 152(1)(b) [of the IP Code; now sections 184 and 186(1)(b) of the IP Act]) differ only in respect of the constituent mental element. Under [section] 150 the prosecution must prove the use of the impugned mark was done by the accused 'wilfully.' On the other hand, an offence under [section] 152(1)(b) is made out even where the prosecution established only that the accused knew that he was falsely applying a mark resembling the registered mark...<sup>307</sup>

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Subsequent provisions of the IP Act provide useful definitions for various terms and phrases used in section 186(1).

"Forging of a mark" is defined in section 190 thus:

A person shall be deemed to forge a Mark who either—

- (a) without the assent of the owner of the Mark make[s] 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:<sup>308</sup>

<sup>306</sup> Court of Appeal of Sri Lanka [1990]: *Leelananda v. Earnest De Silva* [1990] 2 Sri LR 237.

<sup>307</sup> *Ibid.*, at 238.

<sup>308</sup> See Penal Code, s. 452, for the definition of forgery.

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

“Applying a mark or trade description to goods” is defined in section 192:

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

“False trade description” is defined in section 101 of the IP Act as:

... 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...

Section 189 provides additional information about certain acts that violate the prohibition on applying a false trade description to goods:

- (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.

[ ... ]

### 2.10.1.2.3 Trade in forged or counterfeit goods

Section 186(2) of the IP Act criminalizes the sale, possession for sale and exposing for sale of forged goods:

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.

Under section 186(4), a person who is convicted of such an offense is liable to a fine not exceeding LKR 500,000, to imprisonment for a term not exceeding two years or to both. In the case of a second or subsequent conviction, the fine or imprisonment may be doubled.

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In *Jaleel and another v. OIC, Police Station, Kegalle*,<sup>309</sup> the two accused had been charged in the Magistrate's Court for selling or exposing for sale tins of paint with the forged mark Pentalite – an offense under then-applicable section 154(4), read with section 152(2) of the IP Code (now section 186(2), read together with section 186(4) of the IP Act).

The Court of Appeal of Sri Lanka held that the facts proved that the accused persons had been entitled to the benefit of all three defenses set out in the then-applicable section 152(2) of the IP Code (now section 186(2)(a)–(c) of the IP Act).

1. The paint tins bearing the mark had been withdrawn from the display racks and moved to a backroom of the shop.
2. When asked by a police officer, one of the accused persons stated that Pentalite paint was not available for sale.
3. Upon further questioning, one of the accused persons also provided the police with the receipt and particulars regarding the firm from which the tins had been purchased.

### 2.10.1.2.4 Trade in goods ordinarily sold by the piece or by length

Section 186(3) of the IP Act criminalizes the import, sale and exposing for sale of goods ordinarily sold by the piece or by length without conspicuously stamped English numerals identifying their length in meters:

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.

309 Court of Appeal of Sri Lanka [1994]: *Jaleel and another v. OIC, Police Station, Kegalle* [1994] 1 Sri LR 225.

Under section 186(4), a person who is convicted of such an offense is liable to a fine not exceeding LKR 500,000, to imprisonment for a term not exceeding two years or to both. In the case of a second or subsequent conviction, the fine or imprisonment may be doubled.

#### 2.10.1.2.5 False declaration

Section 191 of the IP Act provides:

Any person who—

- (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 [LKR 500,000].

Making a false declaration to the Director-General regarding a geographical indication or a trademark is considered a specific trademark offense.

False declarations about ownership, giving misleading information about geographic origin, and providing false or misleading information about the use or distinctiveness of a trademark or the characteristics of a geographical indication or certification of registration should be regarded as offenses of serious nature. They are likely to affect consumers, third parties and competitors, and to undermine the integrity of the IP system.

#### 2.10.1.2.6 Abetting the commission of offenses abroad

Section 196 of the IP Act also criminalizes abetting the commission of any act abroad that, if committed in Sri Lanka, would have been an offense under Part XI of the IP Act (which includes the aforementioned offenses).

### 2.10.2 Defenses

The following defenses may be available in response to a criminal allegation of trademark infringement or another trademark-related offense:

- lack of standing;
- lack of registration or ownership;
- invalidity of the mark;
- lack of *mens rea*;
- mistake of fact;<sup>310</sup>
- license, authorization or permission;
- insufficient evidence;
- statute of limitations; and
- statutory defenses specific to the offense (if any).

310 A defendant may argue “mistake of fact” when accused of a statutory offense, including offenses under the IP Act, unless the offense itself contains words of absolute and unqualified prohibition. See Court of Appeal of Sri Lanka [1955]: *Perera v. Munawera*, 56 NLR 433, at 433, appealing a judgment of the Magistrate’s Court, Colombo:

Section 72 of the Penal Code which enacts that “nothing is an offence which is done by any person . . . who by reason of a mistake of fact and not by reason of a mistake of law in good faith believes himself to be justified by law in doing it” applies to all offences alike, including every statutory offence whose definition does not contain a particular state of mind or knowledge as one of its elements.

See also Court of Appeal of Sri Lanka [1969]: *Munasinghe v. Peiris*, 74 NLR 542, appealing a judgment of the Magistrate’s Court, Colombo.

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A statutory defense specific to the false application of a trade description (currently available under section 186(2)(c) of the IP Act) was raised with respect to an alleged offense under the then-applicable Merchandise Marks Ordinance in *K. Thiyagarajah v. D.M.R. Perera (Inspector of Police)*.<sup>311</sup>

The magistrate had found the defendant guilty of applying a false trade description for using bottles embossed with the names of other water companies, refilling them with his own aerated water and applying his own company's labels to the bottles, even though there was no evidence that the public had been deceived by the practice.

The Supreme Court agreed and dismissed the appeal.

The Court held that "act[ing] innocently" under the law requires the infraction to have been committed inadvertently or because of a mistake of fact. Ignorance of the law does not constitute "act[ing] innocently" to the possible commission of such crimes, whether the alleged offender is convicted or not.

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311 Supreme Court of Sri Lanka [1960]: *K. Thiyagarajah v. D.M.R. Perera (Inspector of Police)*, 62 NLR 308.

# Chapter 3 Patents

## Part I Preliminary matters

### 3.1 Introduction

This chapter addresses the law relating to patents, the conduct of patent proceedings, and the enforcement of rights and remedies relating to patents before the Commercial High Court in Sri Lanka. It also addresses the conduct of criminal proceedings and the enforcement of rights and remedies in the Magistrates' Courts of Sri Lanka.

The procedural aspects of adjudicating intellectual property (IP) actions and available remedies were addressed in [Chapter 1](#) of this volume; this chapter will provide cross-references to that chapter, where relevant.

A more general summary of the law of patents is provided in Chapter 2 of *Introduction to the International Legal Framework for Intellectual Property*, the first volume in the series, which refers to relevant treaties but is not specific to Sri Lanka.

Select legislation and case law to which reference is made in this chapter is available on the WIPO Lex database.<sup>312</sup>

### 3.2 What is a patent in Sri Lanka?

A patent is an exclusive right granted for an invention for a limited period of time by the Government of Sri Lanka, through the National Intellectual Property Office (NIPO), to a person who has made an invention that:

- is new (novel);
- involves an inventive step; and
- is capable of industrial application.

An invention is defined in section 61(1) of the Intellectual Property Act, No. 36 of 2003 (the IP Act), "as an idea of an inventor which permits in practice the solution to a specific problem in the field of technology".

Section 62(2) of the IP Act provides that an invention may be or may relate to a product or process. Accordingly, two types of patent are protected in Sri Lanka:

- product patents; and
- process patents.

The patent owner has the exclusive rights to exploit the patented invention (such as making, using, offering for sale, selling or importing, or exporting the product or process), to assign and license it, and to prevent others from exploiting it without the owner's permission.

A patent is a territorial right, limited to the geographical boundary of Sri Lanka. It is valid for a limited period of 20 years from the filing date of application for its registration, provided that the prescribed annual fee is paid on time.

In return for the exclusive right the patent provides, an applicant is required to disclose the invention to the public by providing a patent specification – a detailed, accurate and complete written description of the invention – in the patent application. This allows others to benefit from the invention by virtue of its inclusion in the pool of common knowledge.

Under section 71(1) of the IP Act, an application for the grant of a patent must be made to the Director-General of NIPO using the prescribed form, on which the applicant must describe the invention clearly and completely, along with the scope of the protections sought (i.e., the claims). Under section 72, the form must be submitted to the Director-General together with the prescribed fee.

Section 78(1) provides that the Director-General shall first examine the application and the documents to ensure that the invention meets all the formal requirements under the IP Act.

If those administrative and procedural requirements are fulfilled and the application has been correctly filed along with the relevant documents, the Director-General will assess whether the subject matter of the application meets the requirements of patentability.

If the patent application fulfills the criteria for patentability, the patent may be granted.

Under section 80 of the IP Act, the Director-General keeps and maintains the Register of Patents, in which all patents that have been granted in Sri Lanka are recorded. Under section 81, the Register is available to any person for examination and they may request certified extracts in return for a prescribed fee.

The IP Act of Sri Lanka does not currently recognize or provide for utility models (also known as petty patents). Utility model rights are shorter-term rights for minor or incremental technical inventions, often relating to tools, machines or apparatuses, which may not meet the inventiveness threshold required for regular patents. They are usually simpler, faster and less costly to obtain than standard patents.

### 3.3 Sources of law

The primary sources that form the legal framework for patents in Sri Lanka comprise statutes, regulations and judicial decisions. Sri Lanka has also joined a number of international treaties that address substantive and procedural aspects of patent protection.

For more on the sources of law applicable to IP generally, see [Chapter 1, section 1.3](#).

#### 3.3.1 Statutes

The law on patents in Sri Lanka is governed by Part IV of the IP Act.

The following statutes are also relevant to the application of patent law in Sri Lanka.

The Civil Procedure Code (Chap. 101), as amended, governs procedure in the civil courts relating to patent actions filed under the provisions of the IP Act.

The Code of Criminal Procedure Act, No. 15 of 1979, as amended, governs the procedure in criminal courts relating to the prosecution of offenses involving patents under the provisions of the IP Act.

The Customs Ordinance (Chap. 235), as amended by the IP Act,<sup>313</sup> also applies to the enforcement of patents by customs control.

The High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, grants the Commercial High Court civil jurisdiction in respect of patent proceedings required under the IP Act.

The Judicature Act, No. 2 of 1978, as amended, provides for the establishment and constitution of the courts of first instance, defines their jurisdiction and regulates procedure.

### 3.3.2 Regulations

Regulations made under section 204 of the IP Act and published in the *Gazette of the Democratic Socialist Republic of Sri Lanka* (the Gazette) also serve as an important source of law.

The following regulations are relevant to patent law in Sri Lanka:

The Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (the 2006 IP Regulations)

The Intellectual Property Regulations, No. 2 of 2019, published in Gazette Extraordinary No. 2146/37 dated October 27, 2019 (the 2019 IP Regulations).

### 3.3.3 Judicial decisions

Judicial decisions of Sri Lankan courts that interpret the provisions of the IP Act, the repealed Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) and related statutes are also important sources of law – particularly, judgments issued by the Supreme Court and the Court of Appeal that have binding precedential effect on lower courts.

Decisions from foreign jurisdictions that interpret principles of patent law that are either identical or similar to those of Sri Lanka may also be influential.

See Chapter 1, section 1.3.4, for a more detailed discussion of the role of judicial decisions in Sri Lankan IP law.

### 3.3.4 International treaties

Sri Lanka is party to the following international treaties that address patents.

The Paris Convention for the Protection of Industrial Property (Paris Convention), administered by the World Intellectual Property Organization (WIPO), provides basic principles regarding national treatment, the right of priority and common rules for industrial property, including patents. Patents are specifically addressed in Articles 4–5<sup>quater</sup> and 11.

The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) addresses the availability, scope, acquisition, enforcement and prevention of the abuse of IP rights. Articles 27–34 define the subject matter to be protected, the rights to be conferred, permissible exceptions to those rights and the minimum duration of protection for patents. Article 2.1 incorporates Articles 1–12 and 18 of the Paris Convention into the TRIPS Agreement.

The Patent Cooperation Treaty (PCT), also administered by WIPO, established a system for the filing of an “international” patent application by the nationals or residents of Contracting States. Contracting States must not impose additional or stricter requirements than those permitted under the PCT.

313 Intellectual Property Act, No. 36 of 2003 (IP Act), ss. 206–7, amended s. 101 and Part XIII of the [Customs Ordinance](#) (Chap. 235) by inserting new sections immediately after s. 125 (ss. 125A–B).

Sri Lanka follows a dualist system, which distinguishes between international and domestic law. International treaties do not automatically become part of binding domestic law upon ratification; to have effect in Sri Lanka, a treaty must be incorporated into domestic law by Parliament.

In some cases, Sri Lankan courts have referred to international treaties as interpretive aids where domestic law is ambiguous.

### 3.4 Requirements for a valid patent

Chapter XIII of the IP Act provides that, to receive patent protection, the claimed invention must:

- consist of patentable subject matter, not excluded from eligibility;
- meet patentability requirements – that is, under section 63 of the IP Act, the invention must:
  - be new (novel);
  - involve an inventive step (be nonobvious);
  - be capable of being industrially applicable; and
- be submitted to the Director-General in a properly completed patent application that discloses the invention sufficiently clearly and completely, including the best mode known to the applicant for carrying out the invention.

#### 3.4.1 Patentable subject matter

##### 3.4.1.1 Eligible subject matter

To be eligible for patent protection, an invention must fall within the scope of patentable subject matter.

An invention is defined in section 62(1) of the IP Act “as an idea of an inventor which permits in practice the solution to a specific problem in the field of technology”.

To be eligible for patent protection, the invention must relate to a product or process and it must not fall into the categories of inventions that are non-patentable subject matter under section 62(3) of the IP Act (see below).

##### 3.4.1.2 Exclusions from patentable subject matter

Patentable subject matter excluded from patentability is set out in section 62(3)(a)–(f) of the IP Act, which provides that the following inventions shall not be patentable, notwithstanding them being within the definition of an “invention”:

- (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.

However, section 79(1) of the Act provides:

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.

#### 3.4.1.2.1 Discoveries

Section 62(3)(a) of the IP Act excludes discoveries, scientific theories and mathematical methods from patentability.

A discovery is something that exists in nature but was previously unknown. According to the doctrine of natural phenomena (also known as the law of nature doctrine), a substance found in nature cannot be patented.

Section 62(3)(a) of the Act thus excludes from patentability substances existing in nature, such as biological materials. This may exclude discoveries of new substances and newly discovered forms of a known substance in nature.

If a known substance can be transformed with human ingenuity into a new product or new use, however, with distinct characteristics, performance or function that is markedly different from the substance as it is found in nature, it may qualify as an invention within the meaning of section 62(1) of the IP Act (see [section 3.4.1.1](#)).

#### 3.4.1.2.2 Plants and animals

Section 62(3)(b) of the IP Act excludes from patentability:

(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...

The exclusion of plants from patentability under section 62(3)(b) applies to:

- all or part or components of plants – that is, the entire kingdom of plantae, which includes all plant cells, seeds and species; and
- plant varieties – that is, subgroups within a species that exhibit specific traits, whether naturally occurring or bred by humans (e.g., rose varieties such as the Grandiflora rose “Queen Elizabeth”).

The exclusion of animals from patentability under section 62(3)(b) applies to:

- all animals – that is, the entire kingdom of animals; and
- animal varieties – that is, specific types or subgroups within animal species (e.g., dog varieties, known as breeds, such as a Labrador Retriever or a German Shepherd).

Responding to the option granted under the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) to exclude plant varieties from patent protection on condition that they be protected via an effective *sui generis* system,<sup>314</sup> Sri Lanka drafted a law for the protection of plant varieties,<sup>315</sup> which was based on

314 World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), Art. 27(3)(b).

315 Draft Protection of New Plant Varieties (Breeders’ Rights and Farmers’ Rights) Act, 2001 (Sri Lanka).

the International Convention for the Protection of New Varieties of Plants (UPOV Convention),<sup>316</sup> However, this draft law was abandoned after farmers protested it. At present, then, new plant varieties – whether in artificial or genetically modified form – are not protected under a *sui generis* system and may be excluded from patent protection in Sri Lanka.

**3.4.1.2.2.1 Microbiological and nonbiological process** The exclusion from patentability in section 62(3)(b) of the IP Act of plants, animals and other microorganisms does not apply to microbiological or nonbiological processes.

The Act does not define the concepts of “nonbiological process” or “microbiological process” nor have there been any decisions from Sri Lankan courts providing guidance.

For that reason, even though it is not binding on Sri Lankan courts, it may be useful to observe how a similar exclusion found in the Convention on the Grant of European Patents of October 5, 1973 (European Patent Convention, or EPC) has been interpreted and applied.

Article 53 of the EPC provides:

European patents shall not be granted in respect of:

[ ... ]

(b) plant or animal varieties or essentially biological processes for the production of plants or animals; this provision shall not apply to microbiological processes or the products thereof...

Article 2(1)(b) of Directive 98/44/EC of the European Parliament and of the Council of July 6, 1998 on the legal protection of biotechnological inventions (the Biotech Directive) defines a microbiological process as “any process involving or performed upon or resulting in microbiological material”.<sup>317</sup>

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In *Plant Genetic Systems N.V. et al. v. Greenpeace Ltd* (known as *Plant Cells*),<sup>318</sup> the Boards of Appeal of the European Patent Office (EPO) stated that the concept of “microbiological processes” under Article 53(b) EPC refers to processes in which microorganisms (or their parts) are used to make or to modify products, or in which new microorganisms are developed for specific uses.

Consequently, said the Board, the concept of “products thereof” under Article 53(b) encompasses products that are made or modified by microorganisms, as well as new microorganisms as such.

Naturally occurring microbiological processes should be excluded from patentability as essentially biological processes. Mere microbiological processes without human intervention contributing significantly to the final result are not patentable.

“Technical processes including a microbiological step” (a process for producing a plant) may not simply be equated with “microbiological processes” nor can the resulting final products of such technical processes (e.g., plant varieties) be defined as “products of microbiological processes”.

The term “microbiological” can be interpreted as qualifying technical activities in which direct use is made of microorganisms. It includes not only traditional fermentation and biotransformation processes but also the manipulation of microorganisms by means of genetic engineering or fusion techniques, the production or modification of products in recombinant systems, and so on.<sup>319</sup>

It includes all activities in which an integrated use is made of biochemical and microbiological techniques, including genetic and chemical engineering techniques.

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316 International Convention for the Protection of New Varieties of Plants, adopted 1961, revised 1991 (UPOV Convention).

317 Directive 98/44/EC of the European Parliament and of the Council of July 6, 1998 on the legal protection of biotechnological inventions, OJ L 213/13 (Biotech Directive).

318 Boards of Appeal of the European Patent Office [1995]: *Plant Genetic Systems N.V. et al. v. Greenpeace Ltd*, Case No. T 0356/93, ECLI:EP:BA:1995:T035693.19950221 (*Plant Cells*).

319 *Ibid.*, at [35].

In Sri Lanka, any microbiological process may be patentable under section 62(3)(b) of the IP Act if such a process cannot be carried out under natural circumstances without significant (i.e., not trivial) human intervention to control the final result. In other words, a microbiological process may be patentable under section 62(3)(b) if it involves human intervention at every stage, to the extent that the process would not naturally occur without such intervention and this intervention is not trivial to the final outcome.

Any process in which microorganisms are used to make or to modify products, or in which any new microorganisms are developed for specific uses, may be a microbiological process eligible for patent protection.

If it includes a further step such as a nonbiological step of technical nature (e.g., genetic engineering) that, as a whole, introduces a trait into the genome or modifies a trait in the genome of the plant, such a process is not an essentially biological process.

Whether a process is microbiological or nonbiological cannot be decided based upon the presence of a single essential step of microbiological or nonbiological nature. The Director-General or the Commercial High Court must consider whether the process as a whole represents a microbiological or nonbiological process.

#### 3.4.1.2.2.2 Essentially biological processes for the production of plants and animals

Section 62(3)(b) of the IP Act expressly prohibits patenting of an “essentially biological processes” for the production of animals or plants. The Act does not define “essentially biological process” nor have any Sri Lankan courts interpreted or applied this provision to provide guidance.

A “biological process” is a process occurring in living organisms; by extension, a “nonbiological process” can be described as a process that does not occur in living organisms.

Section 62(3)(b) is similar to Article 53(b) EPC, which excludes plant or animal varieties, or essentially biological processes for the production of plants or animals or products thereof, from patentability.<sup>320</sup> According to the Regulations implementing the Convention, a “process for the production of plants or animals is essentially biological if it consists entirely of natural phenomena such as crossing or selection”.<sup>321</sup>

The EPO Guidelines state that:

The exclusion covers plants and animals exclusively obtained by means of an essentially biological process that does not involve any direct technical intervention in the genome of the plants or animals, as the relevant parental plants or animals are merely crossed and the desired offspring is selected for. This is the case even if technical means are provided that enable or assist with the performance of the essentially biological steps. In contrast, plants or animals produced by a technical process which modifies the genetic characteristics of the plant or animal are patentable.<sup>322</sup>

In *Plant Cells*,<sup>323</sup> the Boards of Appeal of the EPO defined a process excluded from patentability as being “essentially biological” within the meaning of Article 53(b) EPC thus:

1. A process for the production of plants is essentially biological if it consists entirely of natural phenomena, these being understood as those that are uncontrollable and/or which occur without human intervention, including the methods used by conventional plant breeders, such as hybridization or natural selection.

320 Convention on the Grant of European Patents of October 5, 1973 (European Patent Convention, or EPC), as amended, Art. 53(b).

321 Implementing Regulations to the Convention on the Grant of European Patents of October 5, 1973, as amended (EPC Regulations), Reg. 26(5); Biotech Directive, Art. 2(2).

322 European Patent Office (EPO), *Guidelines for Examination in the European Patent Office* (2025), “5.4 Plant and animal varieties or essentially biological processes for the production of plants or animals”, available at [www.epo.org/en/legal/guidelines-epc/2025/g\\_ii\\_5\\_4.html](http://www.epo.org/en/legal/guidelines-epc/2025/g_ii_5_4.html).

323 Boards of Appeal of the European Patent Office [1995]: *Plant Genetic Systems N.V. et al. v. Greenpeace Ltd*, Case No. T 0356/93, ECLI:EP:BA:1995:T035693.19950221 (*Plant Cells*).

2. The essentially biological process exclusion does cover processes that comprise, in addition to natural phenomena, features of an insubstantial or insignificant technical nature.
3. Essentially biological processes for the production of plants are excluded from patentability by Article 53(b) EPC even though they are inventions and are, as such, characterized by human intervention; any kind of human intervention is not enough to allow an invention in this field to escape the exclusion.
4. In deciding whether a process is excluded from patentability as being “essentially biological” within the meaning of Article 53(b) EPC, it is not relevant whether a step of a technical nature is a new or known measure, whether it is trivial or a fundamental alteration of a known process, whether it does or could occur in nature, or whether the essence of the invention lies in it.<sup>324</sup>
5. It follows that a process for the production of plants comprising at least one essential technical step that cannot be carried out without human intervention and which intervention has a decisive impact on the final result is not excluded from patentability under Article 53(b) EPC.

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In **Hybrid Plants/Lubrizon**,<sup>325</sup> the EPO Boards of Appeal stated as follows:

1. The question of whether or not a (nonmicrobiological) process is to be considered as “essentially biological” within the meaning of Article 53(b) EPC has to be judged on the basis of the essence of the invention, taking into account the human intervention involved and the impact of that intervention on the result achieved.
2. The necessity of human intervention is not enough, on its own, to distinguish an otherwise “essentially biological” process. Human interference at only a trivial level may mean only that the process is not a “purely biological” process. Further, it is not a matter simply of whether such intervention is of a quantitative or qualitative character.
3. An essentially biological process for the production of plants is excluded from patentability by Article 53(b) EPC even though it is an invention and is, as such, characterized by human intervention.

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In Sri Lanka, the question of whether a process is “essentially biological” under section 62(3)(f) of the IP Act should be assessed on the basis of the following principles.

1. Human intervention cannot, in itself, suffice to allow an invention to escape the exclusion. The mere involvement of a step of a technical nature that serves to enable or assist the performance of the steps of hybridizing the whole genomes of plants or of subsequently selecting plants does not make the process not essentially biological.
2. It is not relevant whether a step of a technical nature is a new or known measure, whether it is trivial or a fundamental alteration of a known process, whether it does or could occur in nature, or whether the essence of the invention lies in it.
3. To be considered not “essentially biological”, a process should involve at least one essential technical step, such as a genetic engineering step, which:
  - (a) cannot be carried out without human intervention;
  - (b) makes a more than trivial or insignificant contribution; and
  - (c) has a decisive impact on the final result.

The phrase “essentially biological process for the production of plants and animals” could be interpreted under section 62(3)(b) of the IP Act to mean that a process for the production of plants or animals is essentially biological if it consists entirely of natural phenomena such as hybridization or selection that, taken as a whole, exist in nature or are no more than a conventional plant or animal breeding processes, even though they are inventions and are, as such, characterized by human intervention.

<sup>324</sup> *Ibid.*, at [VII].

<sup>325</sup> Boards of Appeal of the European Patent Office [1988]: *Hybrid Plants/Lubrizon*, Case No. T 320/87, ECLI:EP:BA:1988:T032087.19881110.

**3.4.1.2.2.3 Microorganisms** Section 62(3)(b) of the IP Act excludes microorganisms other than transgenic microorganisms from patentability. The phrase “transgenic” is defined in section 212 of the Act as “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”.

Naturally occurring microorganisms and newly found microorganisms (e.g., a new bacterium or fungus) do not involve any modification in their genetic composition that leads to new products of human ingenuity having distinctive characteristics. As discoveries, they are not patentable.

Patent protection is thus restricted under section 62(3)(b) to transgenic microorganisms, which, through direct human intervention, have come to possess genetic characteristics not available among the species under natural conditions.

Patent protection for transgenic microorganisms may, however, be excluded on the basis of the public order and morality exception set out in section 62(3)(f) of the IP Act, in the case of inventions whose commercial exploitation must be prevented to protect human, animal or plant life or health, or to avoid serious prejudice to the environment.

#### 3.4.1.2.3 Diagnostic methods and methods of treatment

Section 62(3)(d) of the IP Act excludes from patentability as processes any “methods for the treatment of the human or animal body by surgery or therapy, and diagnostic methods practiced on the human or animal body”.

Any product used in any such a method is, however, patentable.

In other words, any equipment, instrument, apparatus and medicaments (e.g., drugs) used in any such method to treat or diagnose the human or animal body is patentable in Sri Lanka, which might include:

- equipment and instruments used in surgery and therapy (e.g., a scalpel, surgical scissors, sutures and suture needles);
- apparatus used in diagnostic methods (e.g., an ultrasound or X-ray machine, a blood pressure cuff, a thermometer); and
- drugs used in treatment (e.g., antibiotics, vaccines, steroids).

#### 3.4.1.2.4 Public order and morality

Section 62(3)(f) of the IP Act provides for the exclusion from patentability of “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”.

Section 62(3)(f) excludes inventions on public order and moral grounds similarly to Article 27(2) of the TRIPS Agreement. However, the TRIPS proviso, which specifies that the exclusion is not made “merely because the exploitation is prohibited by ... law”, is not found in the IP Act.

No direct case law is available on the interpretation or application of section 62(3)(f) in Sri Lanka. For that reason, the law of other jurisdictions – such as the European Union – in which statutory provisions are similar or identical can be instructive.

The issue of morality and *ordre public* was raised before the EPO Boards of Appeal in **Plant Cells**,<sup>326</sup> in which the object of the invention was plants and seeds resistant to a particular class of herbicides, so that they could be selectively protected against weeds and fungal diseases.

The patent was opposed under Article 53(a) EPC (which is similar to section 62(3)(f) of the IP Act) – in particular, on the grounds that the exploitation of the invention was likely to cause serious damage to the environment.

The Board held as follows:

1. Under Article 53(a) EPC, inventions the exploitation of which is likely to seriously prejudice the environment are to be excluded from patentability as being contrary to *ordre public*.
2. The concept of morality is related to the belief that some behavior is right and acceptable, whereas other behavior is wrong – a belief founded on the body of norms that are deeply rooted in a particular culture.
3. The concept of *ordre public* spans the protection of public security and the physical integrity of individuals as part of society. It also encompasses protection of the environment. Accordingly, under Article 53(a) EPC, inventions the exploitation of which are likely to breach public peace or social order (e.g., through acts of terrorism) or to seriously prejudice the environment are to be excluded from patentability as being contrary to *ordre public*.
4. For the purposes of the EPC, the culture in question is European culture. Accordingly, under Article 53(a) EPC, inventions the exploitation of which would contravene conventionally accepted European standards of conduct are to be excluded from patentability as being contrary to morality.
5. Plant biotechnology per se cannot be regarded as any more contrary to public morality than traditional selective breeding.
6. None of the claims of the patent in suit referred to subject matter that related to a misuse or destructive use of plant biotechnological techniques; rather, they concerned activities (i.e., the production of plants and seeds, the protection of plants from weeds or fungal diseases) and products (i.e., plant cells, plants, seeds) that cannot be considered to be wrong as such in the light of conventionally accepted standards of conduct of European culture.

### 3.4.2 Patentability requirements

Section 63 of the IP Act sets out that an invention is patentable if it:

- is new (novelty);
- involves an inventive step (nonobviousness); and
- is industrially applicable (industrial applicability).

#### 3.4.2.1 Novelty

Novelty is a fundamental requirement in the examination of an invention – particularly, of substances – and is an undisputed condition of patentability.

Novelty refers to the requirement that an invention must be new and not have been previously disclosed or used in the public domain before the patent application is filed.

##### 3.4.2.1.1 Prior art

The novelty requirement is specified in section 64(1) of the IP Act: “An invention is new (novel) if it is not anticipated by prior art.”

“Prior art”, as defined in section 64(2) of the Act, can be used in the course of a patent application to show that the invention is not novel (or that it is obvious – see section 3.4.2.2). An invention that has been previously disclosed by any prior written publication, prior patents,

326 Boards of Appeal of the European Patent Office [1995]: *Plant Genetic Systems N.V. et al. v. Greenpeace Ltd*, Case No. T 0356/93, ECLI:EP:BA:1995:T035693.19950221 (*Plant Cells*).

oral disclosure, public use or in any other form anywhere in the world is said to have been “anticipated by prior art” and is not novel.

Prior art is identified relative to the filing date of the patent application or, where appropriate, the priority date.<sup>327</sup>

Prior art is broadly defined in section 64(2) of the IP Act. It consists of two elements:

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 a 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 [the] extent that such contents are included in the patent granted on the basis of the said patent application made in Sri Lanka.

If the prior art discloses the invention either explicitly or implicitly, the invention lacks novelty.

**3.4.2.1.1.1 Element 1: Everything disclosed to the public anywhere in the world** An invention may become part of the prior art through public disclosure, anywhere in the world, in three ways – namely, by means of:

- a written disclosure of the invention in a publication of any form, including publications in digital format;
- an oral disclosure of the invention uttered in public, such as a presentation at a conference or seminar, a lecture, or a radio or television broadcast; and
- display or public use in any other way, such as use in commerce or inclusion in a company’s catalogue.
- **Written disclosure** Written disclosure requires the information to be recorded in a document and published using a physical medium, and that this document be publicly accessible. This includes offering the document for sale or depositing it in a public collection.

Publications can include:

- books, journals and other written materials;
- documents deposited in a public collection;
- patents and patent applications, including prior patents;
- writings (whether manuscript, typescript or printed matter);
- pictures, including photographs, drawings or films; and
- publications or recordings in digital formats, whether on disc or tape, CD, DVD or any similar digital devices, in either spoken or coded language.
- **Oral disclosure** Oral disclosures are not necessarily recorded in a tangible form. Oral disclosures that can affect the novelty of an invention include lectures, discussions, presentations at conferences, seminars, or radio and television broadcasts, as well as public meetings at which the details of an invention are shared or disclosed in a way that the public can access and understand them.
- **Disclosure by use** Disclosure of an invention by use that can also affect novelty includes any form of public use, such as displaying the invention, selling it, demonstrating it, using it in commerce or showcasing it in a company’s catalogue.

The IP Act provides two grace periods within which an inventor may file an application after a public disclosure and still obtain a patent in Sri Lanka.

<sup>327</sup> Article 4 of the WIPO Paris Convention for the Protection of Industrial Property, adopted in 1883, to which Sri Lanka is a party, allows an applicant to claim priority from an earlier patent application filed in a member country, giving them the right to file in other member countries within 12 months while maintaining the original priority date.

Section 64(3) of the IP Act provides:

- A disclosure made under [section 64(2)(a)] shall be disregarded—
- (a) if such disclosure occurred within one year preceding the date of the patent application and if such disclosure [was by reason] 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.

**3.4.2.1.1.2 Element 2: Contents of unpublished patent applications as prior art** Under section 64(2)(b) of the IP Act, prior art includes the contents of a patent application made in Sri Lanka that has an earlier filing date or, where appropriate, an earlier priority date than the patent application claiming the invention.

Only the contents of the earlier application that are incorporated into the patent granted based upon it are considered prior art.

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In *Dissanayakage Senarath Samarasinghe v. A.G. Weerasinghe and Director-General, National Intellectual Property Office*,<sup>328</sup> the Commercial High Court held that, in identifying the scope and content of prior art, the following documents can be taken into consideration:

- documents that have been published before the date of filing of the patent application (i.e., everything disclosed to the public, anywhere in the world, by prior written publication, or prior use, or prior knowledge, or oral disclosure, including within any local or Indigenous communities in Sri Lanka or elsewhere, or in any other way prior to the filing or priority date of the patent application);
  - the contents of any unpublished patent application that has been filed in Sri Lanka that has an earlier filing date, which includes the contents that are incorporated into the patent granted based on the earlier patent application;
  - documents that have been published within one year preceding the date of the patent application in consequence of acts committed by the applicant or their predecessor in title; and
  - documents that have been published within six months preceding the date of the patent application in consequence of any abuse of the rights of the applicant or their predecessor in title.
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#### 3.4.2.1.2 Assessment of novelty

The novelty requirement is generally based on an assessment of the prior art on a universal basis – that is, the prior art anywhere in the world. In other words, Sri Lanka adopts a worldwide novelty approach rather than one limited to domestic novelty.

Novelty is generally determined by the Director-General during the patent examination process at the time of filing the patent application or, where appropriate, at the priority date. That assessment is based on the relevant prior art and the criteria defined by patent law.

Novelty may also be decided by courts in patent infringement or revocation proceedings, in which such assessments are based on the relevant prior art, the criteria defined by patent law, the evidence presented and expert testimony.

The burden of proving that the invention is novel lies with the patent applicant.

<sup>328</sup> High Court of the Western Province of Sri Lanka [2018]: *Dissanayakage Senarath Samarasinghe v. A.G. Weerasinghe and Director-General, National Intellectual Property Office*, Case No. HC/Civil/30/2011/IP (unreported).

In *Dissanayakage Senarath Samarasinghe v. A.G. Weerasinghe and Director-General, National Intellectual Property Office*,<sup>329</sup> the Commercial High Court broke down the novelty inquiry under section 64 of the IP Act into three steps, as follows:

1. Identify the scope and content of prior art by looking at every publicly available information or reference, and determine whether the invention has been previously disclosed.
2. Compare the differences between the claimed invention and the prior art references individually, and determine whether the claimed invention is entirely new or has been anticipated by prior art.
3. Determine whether each and every element of the claimed invention is present in the cited prior art reference, either explicitly or implicitly. If all features of the invention are present in the cited prior art, the invention lacks novelty.

With respect to step 3, the prior art documents should be read by a “person having ordinary skill in the relevant art” (PHOSITA), who generally is a person with technical knowledge and experience in that art.

If the prior art document does not describe all the features of a claim, then a claim is considered to be novel in comparison with the cited prior art document (i.e., it meets the “each and every element” test).

If all the features of the claimed invention are present in a single piece of prior art, however, the invention is considered not novel and will fail the novelty test.

The Commercial High Court further stated that, in determining whether every element of the claimed invention is present, the anticipation inquiry requires the consideration of whether a prior art reference (e.g., prior publication of patent) has disclosed (or contained) clear and adequate directions or instructions to do what the patentee claims to have invented.

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***Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property***<sup>330</sup> involved a mechanical/electronic invention.

The plaintiff claimed that he had long been manufacturing and selling a solid fuel stove, which used an electric fan, under the name “Batapola Stoves” and that the first defendant had obtained Patent No. 14892 for an invention titled “EZ Turbo Charcoal Stove”, which disclosed claims of the patent and had been granted in violation of the IP Act.

The plaintiff relied on U.S. Patent No. 4409956, for a thermostatically controlled solid fuel burning stove, and claimed that all the elements set forth in the first defendant’s invention were found in the U.S. patent, defeating the novelty of the first defendant’s invention. The plaintiff further argued that the claims set out in the first defendant’s Sri Lankan Patent No. 14892 had been disclosed to the public in Patent No. 12186 significantly prior to the first defendant’s invention.

The first defendant’s invention concerned a cooking stove, “EZ Turbo Charcoal Stove”, which could use charcoal efficiently and safely, while also providing a cost-effective and convenient cooking solution to specific problems in the field of technology. It was a thermostatically controlled automated fan, with a built-in manual override function that helped to regulate and maintain the optimum cooking temperature, thus avoiding the over- or undercooking of food and helping to increase the efficacy of the stove by saving fuel.

The Commercial High Court adopted the same three-part inquiry for the assessment of novelty that it had applied in *Dissanayakage Senarath Samarasinghe v. A.G. Weerasinghe and Director-General, National Intellectual Property Office*<sup>331</sup> to compare the fundamental differences between the claimed invention and the prior art described in the U.S. patent.

<sup>329</sup> *Ibid.*

<sup>330</sup> High Court of the Western Province of Sri Lanka [2018]: *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*, Case No. HC/Civil/01/2010/IP (unreported).

<sup>331</sup> High Court of the Western Province of Sri Lanka [2018]: *Dissanayakage Senarath Samarasinghe v. A.G. Weerasinghe and Director-General, National Intellectual Property Office*, Case No. HC/Civil/30/2011/IP (unreported).

The Court stated as follows:

1. Although both inventions (the first defendant's patent and the U.S. patent) contained a thermostat unit, the thermostat unit of the U.S. patent was a mechanical thermostat with moving features, as opposed to the first defendant's thermostat, which was an automatic and electronic thermostat.
2. All the elements as set forth in the first defendant's invention, either explicitly or implicitly described, were not found in the U.S. patent prior to the first defendant's invention and therefore the claims of the first defendant's invention were not anticipated by the prior U.S. patent.
3. As regards Patent No. 12186, the elements of the claims in the first defendant's invention had not been disclosed to the public in Patent No. 12186 and therefore the first defendant's invention had not been anticipated by that prior patent.

The Court ultimately held that certain of the first defendant's claims were novel, while others were anticipated by prior art and hence invalid.

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In ***Michael Laurents Cyrille Caderamanpulle v. Abdul Carder Ashraf and Abdulah Imamdeen***,<sup>332</sup> the plaintiff instituted action seeking a declaration that the defendant's Patent No. 13374 was null and void.

The plaintiff had been granted Patent No. 10694 in respect of the invention titled "SAFE T PACK" on October 31, 1994. The invention was a semi-rigid paperboard container for the packaging of tea, which addressed the specific problem of exporting large-leaf grades of tea in multi-wallpaper sacks. Thereafter, on October 29, 1999, the plaintiff had been granted Patent No. 11765 for an invention titled "RIGID SACK (VALVE TYPE)".

The defendant's Patent No. 13374 titled "TEA PACKING AND TRANSPORTATION BAG" had been granted on July 30, 2004. That invention was also a semi-rigid paperboard container for the packaging of tea, which addressed the specific problem of exporting large-leaf grades of tea in multi-wallpaper sacks.

The plaintiff claimed that the defendant's "TEA PACKING AND TRANSPORTATION BAG" had merely replaced the sack kraft paper in its own "RIGID SACK (VALVE TYPE)" with aluminum foil laminated with low-density polyethylene/aluminum foil. The plaintiff thus claimed that the defendant's invention was anticipated by the prior art, as well as that it was disclosed to the public much prior to the filing of its Patent No. 13374.

The defendant, in turn, prayed for the dismissal of the plaintiff's action and sought:

- a declaration that the plaintiff's Patent Nos. 10694 and 11765 were null and void; and
- damages.

The plaintiff made its application to revoke the defendant's Patent No. 13374 on the basis that patent was invalid as not satisfying the provisions in sections 62(1) and 63–65 of the IP Act.

Applying the tests of novelty, the Commercial High Court held as follows:

1. Comparison of the claims in Patent No. 13374 and the information disclosed in the applications for Patent Nos. 10694 and 11765 demonstrated that the plaintiff had established that all the features of the invention in Patent No. 13374 were present either expressly or implicitly in the pre-existing documents.
2. The claims of Patent No. 13374 were anticipated by prior art – namely, the applications for Patent Nos. 10694 or 11765 – and thus had been previously disclosed to the public much prior to the filing of Patent No. 13374, precluding novelty under section 64 of the IP Act.

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<sup>332</sup> High Court of the Western Province of Sri Lanka [2018]: *Michael Laurents Cyrille Caderamanpulle v. Abdul Carder Ashraf and Abdulah Imamdeen*, Case No. HC/Civil/11/2007/IP (unreported).

In *W.N.C. Fernando v. Amico Industries Ceylon Ltd*,<sup>333</sup> the plaintiff filed an action against the defendant, seeking a declaration preventing the latter from manufacturing stoppers using the plaintiff's patent for an invention titled "Improved Pilfer Proof Closure for sealing a Container such as a Bottle" without a license contract. The plaintiff sought an injunction under the then-applicable IP Code.

The plaintiff's patent, Patent No. 9608, was designed to prevent the breaking and stealing of arrack from bottles supplied to the Distilleries Company. The plaintiff claimed that, upon a tender being called to manufacture pilfer-proof closures (stoppers), his company was awarded the tender to manufacture 50 million caps and the defendant was awarded the tender to manufacture 50 million caps. The plaintiff claimed that the defendant could not supply the stoppers without infringing the plaintiff's patent rights and he had requested that the defendant enter into a license contract.

The defendant filed answer action, seeking declaration that the registration of the plaintiff's patent was null and void. The defendant claimed that the plaintiff's patent lacked novelty (because the invention was anticipated by prior art) and inventive step, and that the plaintiff failed to comply with the mandatory requirements of the application for grant of patent. The defendant further claimed that he had been manufacturing and supplying stoppers long before the patent application was granted to the plaintiff, and that he was entitled to use the stoppers based on rights derived from prior manufacture or use under section 83 of the Code.

Entering judgment in favor of the plaintiff, the District Court held as follows:

1. The plaintiff's stopper was an invention designed as a solution to a specific problem (i.e., breaking the neck of the bottle at the time of the bottling, and stealing of the bottle and fixturing).
2. The plaintiff's invention had not been anticipated by the prior art because the disclosure was made within one year of the application on the basis of the plaintiff's own acts.
3. The plaintiff's invention was novel and, having regard to the prior art relevant to the invention, it involved an inventive step that would not have been obvious to a PHOSITA. It also could be considered an industrial application.
4. Even though the defendant claimed that he had used the stopper in question for a long period of 15 years, he came to know of the plaintiff's stopper only after the dispute arose. He had not manufactured the same stopper prior to the dispute.

The Court granted a declaration that the defendant could not use the stoppers in question without a license contract with the plaintiff and issued an injunction preventing the defendant from manufacturing the stoppers without such a license.

#### 3.4.2.2 Inventive step (nonobviousness)

The basic statutory definition for the assessment of the inventive step (also known as nonobviousness) is contained in section 65 of the IP Act: "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."

The inventive step inquiry asks this: even if a development is new and useful, is it a significant technical advancement over the existing prior art that makes the invention nonobvious to a person having ordinary skill in the relevant art (PHOSITA)?

The purpose of the inventive step requirement is to prevent the granting of patents for inventions that are merely the result of "routine product design and development", such as minor or incremental improvements to the existing prior art.

<sup>333</sup> District Court of Colombo, Sri Lanka [2001]: *W.N.C. Fernando v. Amico Industries Ceylon Ltd*, Case No. 2893/SPL (unreported), decided under the Code of Intellectual Property Act, No. 52 of 1979 (IP Code).

In the inventive inquiry, nonobviousness is generally decided by the Director-General during the patent examination process at the time of filing the patent application or, if claimed, the priority date. In so deciding, the Director-General adopts the PHOSITA perspective, based on the relevant prior art and the criteria defined by patent law.

Courts may also decide the inventive step in patent infringement or revocation proceedings, and they too do so from the perspective of the PHOSITA based on the relevant prior art, as well as based on the criteria defined by patent law, the evidence presented and expert testimony.

The inventive step inquiry gives rise to the following three main statutory questions under section 65 of the IP Act:

1. Who is the “person having ordinary skill in the art” (PHOSITA)?
2. What is the “prior art” relevant to the inventive step?
3. What is the test to determine whether something “would not have been obvious”?

#### 3.4.2.2.1 “Person having ordinary skill in the art”

The statutory definition in section 65 of the IP Act suggests that there is no inventive step when the claimed invention is obvious to a hypothetical “person having ordinary skills in the art” (PHOSITA).

The PHOSITA is not a mere artisan; rather, the hypothetical person must be a skilled technician well acquainted with workshop techniques and able to read the relevant literature carefully.

There are many common or similar elements that characterize the level of skill of the PHOSITA across jurisdictions. These elements, as outlined in a study on inventive step submitted to the World Intellectual Property Organization (WIPO) Standing Committee on the Law of Patents,<sup>334</sup> may be summarized as follows:

1. The PHOSITA is presumed to have access to all publicly available state of the art.
2. The PHOSITA is able to comprehend all technical matters in the relevant art.
3. The PHOSITA possesses academic or professional knowledge of the technology in question.
4. The PHOSITA possesses practical skills in the technical field in question.
5. The PHOSITA is aware of or possesses common general knowledge in the relevant art at the relevant date.
6. The PHOSITA has the average skill and the capacity to use prior art as is usual for the technical field in question.
7. The PHOSITA is availed of the normal means and capacity for routine experimentation to clarify ambiguities on known technology.
8. If the problem prompts a search in another technical field, a PHOSITA in that field is the person qualified to solve the problem.
9. The PHOSITA may be a team of persons working in various relevant fields.

334 WIPO Standing Committee on the Law of Patents, *Study on Inventive Step* (July 6, 2015, SCP/22/3), pp. 7–9, available at [www.wipo.int/edocs/mdocs/scp/en/scp\\_22/scp\\_22\\_3.pdf](http://www.wipo.int/edocs/mdocs/scp/en/scp_22/scp_22_3.pdf).

In *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*,<sup>335</sup> the Commercial High Court considered the characteristics of the PHOSITA for the inventive step analysis.

Specifically, the Court focused on four key elements – namely, that the PHOSITA:

- possesses normal/ordinary knowledge of the technology in question;
- is able to comprehend all technical matters in the relevant art;
- possesses ordinary practical skill in the technical field in question; and
- is aware of or possesses common general knowledge in the relevant art at the relevant date.

The hypothetical skilled person must be an expert, such as an artisan or engineer who is academically or professionally competent and possesses average general knowledge in the specific technical area, thereby leading to a more rigorous analysis of the inventive step.

The background, experience, skills, education, practical qualifications and the relevant technology come into play when deciding whether a PHOSITA could have performed a given combination or modification of prior art, rendering the allegedly inventive step obvious.

When that question of inventive step is decided by a court, it is necessary for the court to adopt the position of a PHOSITA as at the time of filing of the patent application.

The standard of whether the allegedly inventive step would have been obvious to the PHOSITA is tested in Sri Lanka against a PHOSITA's common general knowledge in the field to which the invention relates at the time of the specification (known in Sri Lanka as the description).

The common general knowledge is the technical background of the PHOSITA against which the prior art must be considered. This is not limited to material the person has memorized and has at the front of their mind; the standard of the common general knowledge is instead a question of fact and must be decided objectively, based upon evidence.

#### 3.4.2.2.2 Prior art relevant to inventive step

The prior art for the purpose of determining novelty and the prior art for the purpose of assessing obviousness are not identical. There are some significant differences regarding their application.

The question in the novelty inquiry is whether a single prior art reference anticipates the claim (i.e., contains every claimed element) and thus fully discloses the invention.

The purpose of considering prior art in the context of inventive step, however, is to determine whether the invention, in the light of the relevant prior art, involves an inventive step from the perspective of the PHOSITA. In the context of inventive step, then, prior art is not assessed on the basis of an individual reference but considered broadly.

Multiple different prior art references may be considered in combination to demonstrate obviousness, provided that they are related to the invention. Prior art in the context of inventive step can, in combination or modification, suggest that the claimed invention would have been obvious to the PHOSITA. If the PHOSITA finds it obvious to combine or modify existing references to arrive at the claimed invention, then inventive step will be lacking. Moreover, combining prior art with existing teaching can inform predictable solutions to a problem that would make the claimed invention obvious to the PHOSITA.

335 High Court of the Western Province of Sri Lanka [2018]: *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*, Case No. HC/Civil/01/2010/IP (unreported), pp. 85–98.

### 3.4.2.2.3 Tests for the assessment of inventive step

In determining whether the invention is obvious (i.e., the requisite inventive step), the patent examiner must assess the invention from the perspective of a PHOSITA.

1. The examiner must identify the prior art relevant to the invention and its subject matter (claim).
2. The examiner must consider whether the differences between the prior art elements and the claimed subject matter would have been obvious to the PHOSITA.

In this second step, the examiner must evaluate the differences between the invention and the prior art with regard to whether a given single reference in the prior art, a combination of multiple prior art references or a modification of a single prior art reference would be obvious to the PHOSITA.

If the PHOSITA would find that the applicant's solution to a technical problem is no more than an obvious extension or a workshop variation of the existing prior art, the invention will be obvious and will not meet the inventive step requirement for patentability.

Because an invention is the idea of an inventor that permits, in practice, the solution to a specific problem in the field of technology, the examiner's evaluation of the differences should not neglect any of the following three fundamental aspects that apply to all inventions – namely, that there must be:

- a problem to be solved;
- a solution to that problem by the claimed invention; and
- a result guaranteed by application of that solution.

Before the assessment inquiry begins, the examiner must look at the problem, its significance, how widely known it was and how many people were likely to have been seeking a solution to it.

If the problem is known or obvious, the examiner will assess whether the inventive step is a technical advancement over the existing prior art in solving the problem.

The examiner must then identify the prior art known to those seeking a solution, by way of alternative solutions put forward before the filing or priority date of the application claiming the invention.

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In the United Kingdom, the process of assessing inventive step was set forth by the Court of Appeal of England and Wales in ***Windsurfing International Inc. v. Tabur Manne (Great Britain) Ltd***<sup>336</sup> thus.

1. Identify the inventive concept embodied in the patent application.
  2. If a court is assessing the inventive step, assume the mantle of the normally skilled but unimaginative addressee in the art at the filing date or priority date, imputing to them what was, at that date, common general knowledge in the art to which the invention relates at that date.
  3. Identify what, if any, differences exist between the existing prior art references as being "known and used" and the claimed invention.
  4. If differences exist, decide whether, without any knowledge of the alleged invention, those differences constitute steps that would have been obvious to the skilled person or whether they require any degree of invention.
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336 Court of Appeal of England and Wales [1984]: *Windsurfing International Inc. v. Tabur Manne (Great Britain) Ltd* [1985] RPC 59.

The Court of Appeal of England and Wales slightly reformulated its own test in **Pozzoli SpA v. BDMO SA**,<sup>337</sup> as follows:

1. Identify the notional person skilled in the art and identify the relevant common general knowledge of the person.
2. Identify the inventive concept embodied in the claim and, if that cannot readily be done, construe it.
3. Identify the closest prior art relevant to the claimed invention.
4. Identify what, if any, differences exist between the prior art and the claimed invention.
5. Viewed without any knowledge of the alleged invention as claimed, do these differences constitute steps that would have been obvious to the person skilled in the art or do they require any degree of invention?

Based on the analysis of the English courts, the Commercial High Court of Sri Lanka in **Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property**<sup>338</sup> identified the following key steps for the assessment of the inventive step.

1. Identify the inventive concept embodied in the claimed invention having regard to the common general knowledge of the PHOSITA.
2. Identify the closest prior art relevant to the claimed invention, against which the invention is to be compared.
3. Identify the differences between the prior art and the claimed invention.
4. Decide whether those differences would have been obvious to the PHOSITA.

If the result is that the PHOSITA would have been able to pose the problem, solve it in the manner claimed and foresee the result, the allegedly inventive step is obvious to the PHOSITA and the inventive step is lacking.

If the result is that the PHOSITA would not have been able to solve it in the manner claimed and foresee the result, the inventive step is a significant advancement to the existing prior art references, the inventive step is nonobvious to the PHOSITA and the inventive step requirement is satisfied.

In this case, the plaintiff alleged that the first defendant's invention of the "EZ Turbo Charcoal Stove" did not involve an inventive step within the meaning of section 65 of the IP Act. (See section 3.4.2.1.2 for the full facts of the case.)

In holding that the first defendant's "EZ Turbo Charcoal Stove" involved an inventive step, the Court applied the steps adopted in *Windsurfing International Inc. v. Tabur Manne (Great Britain) Ltd*<sup>339</sup> and *Pozzoli SpA v. BDMO SA*.<sup>340</sup>

1. The examiner is required to consider under section 65 of the IP Act whether the differences between the prior art elements and the claimed subject matter would have been obvious to the PHOSITA at the time the invention was made.
2. The inventive step is measured against what would be obvious to a PHOSITA, who is deemed to have the common general knowledge in the field to which the invention relates. The common general knowledge is the technical background of the notional person in the art against which the prior art must be considered. This is not limited to material they have memorized and have at the front of their mind.
3. "Inventive concept" is concerned with the identification of the core or essence of the invention – that is, the idea or principle, of more or less general application, which entitles the inventor's achievement to be called inventive. This involves the identification of essential elements of the invention with the assistance of a PHOSITA.

337 Court of Appeal of England and Wales [2007]: *Pozzoli SpA v. BDMO SA and another* [2007] EWCA Civ 588.

338 See High Court of the Western Province of Sri Lanka [2018]: *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*, Case No. HC/Civil/01/2010/IP (unreported), pp. 85–98.

339 Court of Appeal of England and Wales [1984]: *Windsurfing International Inc. v. Tabur Manne (Great Britain) Ltd* [1985] RPC 59.

340 Court of Appeal of England and Wales [2007]: *Pozzoli SpA v. BDMO SA and another* [2007] EWCA Civ 588.

4. The first defendant's invention entailed a high degree of technical uncertainty at its outset, when the first defendant was involved in its research and development. The first defendant, being a qualified professional innovator and a graduate in biological science, had applied ingenuity and skill rather than a mere incremental change from the state of the art that is found in the public domain, which made the invention not obvious to the PHOSITA.
5. The invention of the first defendant involved a technical advance as compared to the existing knowledge that made the invention not obvious to the PHOSITA.

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In *Michael Laurents Cyrille Caderamanpulle v. Abdul Carder Ashraf and Abdulah Imamdeen*,<sup>341</sup> the plaintiff made an application to revoke the defendant's Patent No. 13374 on grounds including that it did not satisfy the provisions of section 65 of the IP Act. (See [section 3.4.2.1.2](#) for the facts of the case.)

Applying the inventive step tests, the Commercial High Court held that there were no major technical advances of the invention in Patent No. 13374 over the prior art; the gap between the prior art and the invention described in Patent No. 13374 was narrow. The prior art references in Patent Nos. 10694 and 11765 suggested that the invention in Patent No. 13374 was a mere workshop improvement of minor nature or a mere incremental change from the state of the art found in the public domain, and hence it would have been obvious to the PHOSITA.

The invention in Patent No. 13374 did not involve a technical advance as compared to the existing knowledge of the PHOSITA, and it was therefore not patentable for lack of both novelty and inventive step.

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### 3.4.2.3 Novelty and inventive step compared

The novelty examination and the inventive step examination are two distinct aspects of the patentability assessment, with key differences.

The purpose of the novelty examination is to determine whether the invention is new, meaning whether the invention has not been previously disclosed in the prior art. In contrast, the purpose of the inventive step examination is to evaluate whether the invention involves an inventive step, meaning whether, having regard to the relevant prior art, the invention would be obvious to a PHOSITA.

As discussed in [section 3.4.2.2.2](#), prior art is assessed differently for novelty and inventive step. Novelty may be destroyed if the invention was previously disclosed; an invention may still be considered obvious even if it has not been explicitly or implicitly disclosed.

In sum, the novelty assessment involves:

1. identifying the scope and content of prior art;
2. comparing the differences between the claimed invention and the prior art; and
3. determining whether each and every element of the claimed invention is present in the cited prior art reference, either explicitly or implicitly.

If all the features of the invention are present in the cited prior art, the invention lacks novelty.

In turn, the inventive step assessment involves:

1. identifying the inventive concept embodied in the claimed invention, having regard to the common general knowledge of the PHOSITA;
2. identifying the closest prior art relevant to the claimed invention;
3. identifying the differences between the prior art and the claimed invention; and
4. deciding whether those differences would have been obvious to the PHOSITA.

<sup>341</sup> High Court of the Western Province of Sri Lanka [2018]: *Michael Laurents Cyrille Caderamanpulle v. Abdul Carder Ashraf and Abdulah Imamdeen*, Case No. HC/Civil/11/2007/IP (unreported).

In *Dialog Axiata PLC v. Orleander International Ltd and Harold Prianne Anurath Wijetunge*,<sup>342</sup> the plaintiff, the largest mobile network operator in Sri Lanka, instituted an action in the Commercial High Court against the defendants, seeking, *inter alia*, a declaration of invalidity under section 99 of the IP Act concerning Patent No. 14841, granted in 2008, for the process of “Transfer of cash from one Mobile Phone User to another Phone User with Instant Access to the Withdrawal and Payout Cash”.

In 2012, the plaintiff had launched a mobile money service known as “eZ cash”, which provided mobile wallet services, such as money transfers, utility bill payments and online or in-store purchases. The service could be operated via a mobile phone by establishing a connection with a bank account or, alternatively, with a credit/debit card, which could be navigated through keypad inputs.

The defendants alleged that “eZ cash” incorporated their Patent No. 14841, which had been disclosed to the plaintiff in 2011 and 2012, during confidential negotiations toward the sale of the patent. (The plaintiff had rejected the defendants’ offers to purchase the patent.)

The Commercial High Court granted relief in the plaintiff’s favor and dismissed the defendants’ claim in reconviction.

The Court held that Patent No. 14841 did not fulfill the critical patentability criteria of novelty and inventive step, thereby constituting grounds for the nullity of patent under section 99(1) of the IP Act.

On the requirement of novelty, the Court held that Patent No. 14841 had been publicly disclosed in foreign applications filed by the defendant inventor in 2006 in the United Kingdom and Australia, and that these constituted prior art for the application filed in Sri Lanka. The claimed invention was thus anticipated by the prior art and invalid. The failure of the defendant inventor to disclose these foreign applications also violated the duty of disclosure under section 71(1)(a)(vii) of the IP Act (see section 3.4.3.1).

On the requirement of inventive step, the Court applied the *Windsurfing/Pozzoli* approach to conclude that the invention in Patent No. 14841 would have been obvious to a PHOSITA in view of prior art and common general knowledge in the field of mobile money transfer systems. It held, *inter alia*, as follows:

1. The application for Patent No. 14841 described an “electronically generated Mobile Cash Transaction card”, which contained specific information, including a nine-digit identifier referred to as the “Primary Transaction Code”.
2. The plaintiff had also been using a similar electronically generated card, known as the KIT card, since 1999, and the technology in the production of the KIT card and the Mobile Cash Transaction card was the same.
3. Electronically generated cards contain a randomly assigned personal identification number (PIN), hidden under a scratch-off cover, along with a sequentially allocated serial number. Both the KIT card and the Mobile Cash Transaction card, as described in the application for Patent No. 14841, included important details such as usage instructions and helpline support.
4. The use of voice prompts, as mentioned in Patent No. 14841, was already known in the prior art and commonly used for online selection and verification, particularly in processes such as credit card activation, online transactions, reservations and ticketing for various services.
5. The defendants did not contest that U.S. Patent No. 6173042, which concerned a system designed to facilitate personal computer access to an interactive voice response (IVR) system, and U.S. Patent No. 7986773, which addressed an encryption technique ensuring the safety of sensitive information entered by users during an IVR session, constituted prior art for Patent No. 14841.
6. The messages displayed on the mobile phone pertaining to financial transactions had been previously documented in the prior art as well.

<sup>342</sup> High Court of the Western Province of Sri Lanka [2024]: *Dialog Axiata PLC v. Orleander International Ltd, and Harold Prianne Anurath Wijetunge*, Case No. CHC/12/2013/IP (unreported).

7. It would not be impossible or difficult for a PHOSITA to combine the prior art and anticipate an invention as defined in the claims of the application for Patent No. 14841.

#### 3.4.2.4 Industrial applicability

Section 66 of the IP Act states that an invention shall be considered industrially applicable if it can be made or used in any kind of industry.

Any invention that can be manufactured or used in any industrial or commercial activity – whether an industrial product or process – is considered industrially applicable in Sri Lanka.

In the assessment of industrial applicability, the mere production of something as an object of scientific research is insufficient to satisfy this requirement; rather, industrial application should be generally understood in its broad sense as requiring real and practical, and some profitable, utility. Thus, purely experimental, theoretical or abstract inventions that cannot be made or used in an industry, or which do not produce a technical effect, cannot satisfy the requirement of industrial application.

There must additionally be some specific benefit from the invention to the public, as a solution to a specific problem in a field of technology, and the specification (i.e., the description) should identify a practical way of exploiting the invention industrially.

Any invention that does not demonstrate a clear function or effect – especially when obtained through traditional methods from a known function – may not be considered capable of industrial application in Sri Lanka.

In *Human Genome Sciences v. Eli Lilly and Co.*,<sup>343</sup> the U.K. Supreme Court summarized the requirements of industrial application under Article 57 EPC (which, as amended, is similar to section 66 of the IP Act) in a set of 15 points, the majority of which relate specifically to the biomedical fields.

The Court also identified the following four general principles.

1. The patent must disclose “a practical application” and “some profitable use” for the claimed substance, so that the ensuing monopoly “can be expected [to lead to] some ... commercial benefit”.
2. A “concrete benefit” – namely, the invention’s “use ... in industrial practice” – must be “derivable directly from the description”, coupled with common general knowledge.
3. A merely “speculative” use will not suffice, so “a vague and speculative indication of possible objectives that might or might not be achievable” will not do.
4. The patent and common general knowledge must enable the skilled person “to reproduce” or “exploit” the claimed invention without “undue burden” or having to carry out “a research program”.

A mere suggestion that the invention is industrially applicable is insufficient. To satisfy the test of industrial applicability, the particular function or intended use of the invention must be disclosed and the scope of the patent will accordingly be limited to this specific use.

Any inventions of trivial use, such as purely experimental inventions or biotech research tools with no identified and disclosed specific function or practical use, will not be capable of industrial application in Sri Lanka.

An invention may be considered capable of industrial application in Sri Lanka when its industrial applicability is well established by credible evidence, demonstrating a specific, substantial and credible function that is readily apparent to the PHOSITA.

343 Supreme Court of the United Kingdom [2011]: *Human Genome Sciences Inc. v. Eli Lilly and Co.* [2011] UKSC 51, [108].

In *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*,<sup>344</sup> the first defendant demonstrated in the Commercial High Court how his invention, titled “EZ TURBO CHARCOAL STOVE”, worked commercially for cooking purposes and therefore was industrially applicable. (See section 3.4.2.1.2 for further facts.)

The first defendant demonstrated as follows:

1. The stove came with three places.
2. The stove could be lit using a little coconut kernel and kerosene; after adding charcoal to the stove for about 1½ minutes, it was possible to put on a pot of water to boil.
3. The functions of the stove included electric heat control, a fan and its functions, and its specified clay, which could withstand the heat and prevent a user being burned.
4. It was possible to use multiple cooking pots on the stove, ranging in diameter from 6 inches to 1 foot.
5. The water in the pot on the stove started to boil in about 4 minutes.

Based on this evidence, the Court was satisfied that the invention could be successfully applied in an industrial context, making it viable for commercial production and beneficial to society as a problem-solving mechanism with which to use charcoal efficiently and safely, while also providing a cost-effective and convenient cooking solution to specific problems in the field of technology.

The Court decided that the first defendant’s invention was industrially applicable under section 66 of the IP Act, since it had been established that it can be made or used in an industry.

### 3.4.3 Formality requirements

Patent applicants are required to provide several key pieces of information in the prescribed form to ensure that the patent meets the necessary legal standards for grant.

Section 71(1)(a) of the IP Act provides that patent applicants must provide the following information in their application:

- (i) a request for the grant of the patent;
- (ii) a description of the patent [i.e., the specification];
- (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.

– **Request** Under section 71(2)(a) and (b):

- (a) The request [for the grant of patent] shall contain —
  - (i) a petition that the patent be granted;
  - (ii) the title of the invention;
  - (iii) the name, address, description and 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.

344 High Court of the Western Province of Sri Lanka [2024]: *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*, Case No. 01/2010/IP (unreported).

- **Description** Section 71(3) of the Act sets out what is commonly known as the disclosure requirement (see [section 3.4.3.1](#) below):

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.

- **Claim or claims** Section 71(4) of the Act provides that these shall be clear, concise and supported by the description. The terms of any claim determine the scope and extent of the protection afforded to the patent, and the description and drawings are used to interpret such claim.<sup>345</sup>
- **Drawing or drawings** Section 71(5) of the Act provides that these are required when necessary to understand the invention.<sup>346</sup>
- **Abstract** Under section 71(7), the abstract serves only the purpose of providing technical information, and it is not used to determine or interrupt the scope and extent of the protection afforded by the patent.<sup>347</sup>
- **Search report** The search report fulfills the requirements set out at section 71(1)(a)(vi). It must be an international type of search report issued by any national IP office or intergovernmental organization appointed as an International Searching Authority under the Patent Cooperation Treaty (PCT), as administered by WIPO. In lieu of supplying the search report, an applicant may request that the Director-General refer the application to a local patent examiner to complete the search.<sup>348</sup>
- **Declaration of priority** Under section 76(1), by submitting a declaration of priority, the applicant may claim priority based upon an application previously submitted to a foreign IP office pursuant to “the convention”.<sup>349</sup>

### 3.4.3.1 Disclosure requirement

Section 71(3) of the IP Act provides that:

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.

The Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (the 2006 IP Regulations), set out the prescribed form (Form P1, which appears in the First Schedule to the Regulations) and provide, under regulation 36(1), that:

The description of the invention shall first state the title of the invention as appearing in the request and shall-

- (a) specify the technical field to which the invention relates;
- (b) indicate the background art which, as far as known to the applicant, can be regarded as useful for the understanding, searching and examination of the invention, and preferably, cite the documents reflecting such art;
- (c) disclose the invention in such terms that it can be understood and in a manner sufficiently clear and complete for the invention to be evaluated as to its novelty, inventive step, and industrial application and to be carried out by a person having ordinary skill in the art, and state the advantageous effects, if any, of the invention with reference to the background art;

<sup>345</sup> IP Act, s. 71(6).

<sup>346</sup> See also Intellectual Property Regulations, No. 1 of 2006, published in Gazette No. 1445/10 dated May 17, 2006 (2006 IP Regulations), regs. 37(5), 38(1)–(2).

<sup>347</sup> See also 2006 IP Regulations, reg. 39.

<sup>348</sup> IP Act, s. 73; 2006 IP Regulations, reg. 48.

<sup>349</sup> See also 2006 IP Regulations, reg. 43. IP Act, s. 212, as amended by s. 15 of the [Intellectual Property \(Amendment\) Act, No. 8 of 2022](#), defines the term “convention” to mean:

... the Paris Convention for the Protection of Industrial Property, World Trade Organization 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, Geographical Indications or any other matter provided for by the Act and the registration thereof.

- (d) briefly describe the figures in the drawings, if any;
- (e) set forth the best mode contemplated by the applicant for carrying out the invention; this shall be done in terms of examples, where appropriate, and with reference to the drawings, if any;
- (f) indicate explicitly, when it is not obvious from the description of the nature of the invention, the way in which the invention is industrially applicable and the way in which it can be made and used, or, if it can only be used, the way in which it can be used.

#### 3.4.3.1.1 Enablement requirement

Under section 71(3) of the IP Act, the invention must be fully disclosed sufficiently clearly and completely for the invention to be carried out by the PHOSITA based on the information provided in the patent document.

The enablement requirement prescribes that the invention is to be disclosed with sufficient technical detail so that the PHOSITA can understand how to make, use, practice and reproduce the invention without undue experimentation.

If a PHOSITA needs to conduct unusual efforts, extensive trials or experimentation to apply the teachings of the patent and make or perform the invention, the application does not satisfy the enablement requirement.

#### 3.4.3.1.2 Best mode requirement

The enablement requirement under section 71(3) of the IP Act also includes the best mode requirement – that is, that the inventor must disclose the best mode that they know of practicing their invention that will enable the PHOSITA to do the same.

This too requires the invention to be disclosed with sufficient technical detail so that the PHOSITA can understand how to make and use the invention.

A patent may be deemed to be invalid if the inventor fails to disclose what they believed, at the time of filing of the patent application, to be the best mode of practicing their invention.

#### 3.4.3.1.3 Biological deposits

The IP Act does not require a biological deposit to satisfy the disclosure requirement under its section 71(3).

A biological deposit may, however, be necessary to fulfill the disclosure requirement in certain situations in which words alone cannot precisely, clearly and reproducibly describe an invention involving biological material, such as microorganisms.

Any reference to biological material in the description or the actual deposit of such material by a patent applicant does not create any presumption that such material is necessary to satisfy the requirements of section 71(3).

Actual biological material may be deposited along with the written description if it is unknown, is not readily available to the public, or cannot be made or isolated without undue experimentation.

Meeting the disclosure requirement does not necessitate the deposit of biological material if the material is known and readily available to the public, and if it can be made or isolated without undue experimentation.

### 3.4.3.2 Claims

With respect to the claims, regulation 37 of the 2006 IP Regulations provides:

- (1) The number of the claims shall be reasonable in consideration of the nature of the invention.
- (2) If there are several claims, they shall be numbered consecutively in Arabic numerals.
- (3) Any claim submitted after the filing date of the application and which is not identified with the claims previously appearing in the application shall, at the choice of the applicant, be submitted either-
  - (a) as an amended claim, in which case, it shall bear the same number as the previous claim it amends; or
  - (b) as a new claim, in which case, it shall bear the next number after the highest previously numbered claim.
- (4) The deletion of any claim previously appearing in the application shall be made by indicating the number of the previous claim followed by the word "cancelled".

As to the content of the claims, regulation 37(6) provides:

- (a) The definition of the invention shall be in terms of the technical features of the invention.
- (b) Whenever appropriate, any claim shall contain the following -
  - (i) a statement indicating those technical features of the invention which are necessary for the definition of the claimed subject matter but which, in combination, are part of the prior art;
  - (ii) a characterizing portion- preceded by the words "characterized in that" "characterized by" "wherein the improvement comprises" or any other words to the same effect- stating concisely the technical features which, in combination with the features stated under paragraph (i), it is desired to protect.
  - (iii) (a) Any claim which includes all the features of one or more other claims (claims in dependent form, hereinafter referred to as "dependent claim") shall do so by a reference, if possible, at the beginning, to the other claim or claims and shall then state the additional features claimed. Any dependent claim which refers to more than one other claim ("multiple dependent claim") shall refer to such claims in the alternative only...
    - (b) Any dependent claim shall be construed as including all the limitations contained in the claims to which it refers or, if the dependent claim is a multiple dependent claim, all the limitations contained in the particular claim in relation to which it is considered.
    - (c) All dependent claims referring back to a single previous claim as well as all dependent claims referring back to several previous claims, shall be grouped together to the extent and in the most practical way possible.

## 3.5 Obtaining patent protection

### 3.5.1 Eligible applicants

Form P01, set out in the First Schedule to the 2006 IP Regulations, provides that an application for a patent under section 71 of the IP Act may be made by:

- the inventor or joint inventors;
- the inventor's legal representative;
- an assignee of the inventor;
- the owner of an invention that was made:
  - while the inventor was in the employment of the applicant; or
  - by the inventor in the performance of a contract for the execution of work; or
- any other person with title to the invention.<sup>350</sup>

350 [2006 IP Regulations](#), regs. 32(1), 33-5, Form P01, §VI.

If the applicant falls into the category of “any other person” who is not an inventor, the request must be accompanied by a statement justifying their right to the patent and sufficient copies of the supporting documents.<sup>351</sup>

Foreign applicants must be represented by a Sri Lankan agent, whose name and address must be given in the application, and the applicant must show that they have granted a power of attorney to such an agent.<sup>352</sup>

### 3.5.2 Procedural requirements

An applicant must adhere to the following procedural requirements when seeking patent protection.

1. They must file their application for the grant of a patent with the NIPO using Form P01 of the First Schedule to the 2006 IP Regulations, in which they will describe the invention clearly and completely, as well as the patent protections they seek (i.e., their claims).
2. They must partner their application with payment of the fee prescribed in the Second Schedule to the Regulations.
3. If the applicant’s ordinary residence or principal place of business is outside Sri Lanka, they are to be represented by an agent resident in Sri Lanka, whose name and address shall be given in the application. In this case, the application must be accompanied by a power of attorney granted to the agent by the applicant.<sup>353</sup>
4. The applicant or their duly appointed agent shall sign the application.
5. The application may be accompanied by a declaration of the inventor, giving their name and address, and requesting that they be named as such in the patent.<sup>354</sup>
6. The application is to relate to one invention only, or to a group of inventions that are so linked to each other as to form a single general inventive concept (known as unity of invention).<sup>355</sup>
7. An applicant may amend the application, provided that the amendment does not exceed the limits of the disclosure in their initial application and subject to their payment of a prescribed fee.<sup>356</sup>
8. Allowances are also made under section 75(2) of the IP Act for dividing applications:
  - (a) An applicant may divide the application into two or more 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, ... date of the initial application.
9. The applicant must pay a prescribed fee should they want to alter or divide their application.<sup>357</sup>

### 3.5.3 Applications under the Patent Cooperation Treaty

Sri Lanka is a contracting party to the Patent Cooperation Treaty (PCT), which is administered by WIPO. Sri Lanka may therefore be designated in applications submitted under the PCT. The Director-General of NIPO does not accept PCT applications; rather, such applications are submitted to the International Bureau of WIPO.<sup>358</sup>

Any application filed outside Sri Lanka under the PCT that designates Sri Lanka is deemed to be an application made under the IP Act, as though the applicant had filed a corresponding application with the Director-General.<sup>359</sup>

The applicant must file an international search report and pay the national fee,<sup>360</sup> which is the same as the fee required for filing a national application.

351 IP Act, s. 71(2)(b); 2006 IP Regulations, Form P01, §VI.

352 IP Act, s. 71(1)(c).

353 *Ibid.*

354 IP Act, s. 71(1)(d).

355 IP Act, s. 74.

356 IP Act, s. 75(1), (3).

357 IP Act, s. 75(2), (3).

358 WIPO, “PCT Applicant’s Guide: LK – Sri Lanka, National Intellectual Property Office of Sri Lanka” (2024), available at <https://pctlegal.wipo.int/eGuide/view-doc.xhtml?doc-code=LK&doc-lang=e>.

359 IP Act, s. 71(8).

360 IP Act, s. 72.

The applicant must also:

- appoint an agent in Sri Lanka;<sup>361</sup>
- if the application is not in English, file an English translation;<sup>362</sup> and
- provide a signed and stamped power of attorney if the applicant is not the inventor.<sup>363</sup>

#### 3.5.4 Duties of the Director-General

The IP Act contains detailed provisions setting out the duties of the Director-General of NIPO in relation to:

- search;<sup>364</sup>
- declaration of priority;<sup>365</sup>
- recording of the filing date;<sup>366</sup> and
- examining the application.<sup>367</sup>

#### 3.5.5 Grant of patent and refusal to grant

If the applicant fulfills the requirements of section 78(1) of the IP Act and the patentability requirements to the Director-General's satisfaction, the patent shall be granted.

The formal requirements set out in section 78(1) are that the application must:

- meet the requirements set out at section 71(1)(b), (2)(a) and (2)(b);
- include a description, the claims and, where applicable, the drawings, all of which must comply with the prescribed requirements;
- claim essential elements of the invention that have not been unlawfully derived from a patent already granted in Sri Lanka;
- contain the abstract; and
- be accompanied by the search report referred to in section 73.

The substantive requirements of patentability comprise that:

- the invention is patentable subject matter not excluded under section 62(3) of the Act;
- the invention is new;
- the invention involves an inventive step;
- the invention is industrially applicable; and
- the invention has been sufficiently disclosed.

Section 79(2) of the Act provides that if the Director-General is satisfied that these requirements are met, they should record the particulars of the patent in the Register of Patents and issue a certificate to the applicant detailing the grant of a patent, together with a copy of the patent documents, including the search report.

If the applicant has not tendered an international search report but has instead requested that the Director-General refer the application to a local examiner, the Director-General shall publish a notice in the Government Gazette informing the public of the pending patent and that the patent will be granted three months from the date of publication of the notice, unless the Commercial High Court directs otherwise.<sup>368</sup>

<sup>361</sup> IP Act, s. 71(1)(c).

<sup>362</sup> IP Act, s. 73(1).

<sup>363</sup> According to NIPO practice: see IP Act, s. 78(2); 2006 IP Regulations, Form P01; NIPO, "Patent Guidelines for Applicants", available at <https://www.nipo.gov.lk>.

<sup>364</sup> IP Act, s. 73(1)-(4).

<sup>365</sup> IP Act, s. 76; 2006 IP Regulations, regs. 43-5.

<sup>366</sup> IP Act, s. 77; 2006 IP Regulations, reg. 47.

<sup>367</sup> IP Act, s. 78.

<sup>368</sup> IP Act, s. 79(2), proviso. See also IP Act, s. 79(5)-(6), and 2006 IP Regulations, reg. 50(1)(2)(3), with regard to the contents of the notice and the manner in which it should be published by the Director-General.

Such notice is to include:

- the name and address of the applicant;
- a postal address for service in Sri Lanka for nonresidents;
- a description of the invention; and
- any other information as may be prescribed.<sup>369</sup>

If no party objecting to the grant of the patent files a case in the Court within three months of the notice's date of publication, the Director-General may grant the patent. The Director-General shall then publish a notice of the granted patent in the Gazette.<sup>370</sup>

The patent shall be deemed to be granted on the date on which the Director-General records its particulars in the Register of Patents, which is required to be maintained under section 80 of the IP Act.<sup>371</sup>

Once the patent is granted, any interested party may challenge the grant and seek nullification of the patent.<sup>372</sup>

### 3.5.6 Opposition

The IP Act does not provide for a formal pre-grant opposition procedure.

The proviso to section 79(2) of the IP Act requires the Director-General to publish a notice informing the public of the possibility of granting a patent if 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(1). The Director-General may grant the patent three months after the publication of this notice. (See [section 3.5.5.](#))

This is the only provision in the IP Act that requires the Director-General to publish information regarding a patent application prior to grant.

A third party showing a legitimate interest may file a case in the Commercial High Court opposing the grant of the patent. The Court has implicit jurisdiction to direct the Director-General on matters relating to a pending patent application, which may include:

- delaying or staying the patent grant;
- directing a full search, including an international search report; and
- directing reexamination of the patent application based on further evidence.

The Director-General is bound to abide by orders and decisions of the Court.

### 3.5.7 Appeals

Under section 173 of the IP Act, any person aggrieved by the Director-General's negative decision on a patent application may appeal to the Commercial High Court within a period of six months of the date of that decision.

According to section 173(2), the appeal shall be filed by way of a petition of appeal, accompanied by a certified copy of the decision in an appealed form, as well as copies of all relevant documents and affidavits from the NIPO file.

A copy of the petition of appeal, the accompanying documents and the affidavits shall be served on the Director-General and any other respondents named in the petition of appeal. Proof of such service is to be sent to the Court along with the petition of appeal. The respondents may additionally file a statement of objections.<sup>373</sup>

<sup>369</sup> IP Act, s. 79(5).

<sup>370</sup> IP Act, s. 79(3).

<sup>371</sup> IP Act, s. 79(4).

<sup>372</sup> IP Act, s. 99(1).

<sup>373</sup> *Ibid.*

The Commercial High Court may call for the Director-General's original file, and it may receive and admit such 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 as it requires.<sup>374</sup>

On any such appeal, the Court may affirm, reverse or vary the Director-General's decision, or it may issue such directions to the Director-General or order the Director-General to rehear the case.<sup>375</sup>

Any person who is dissatisfied with any order of the Court to which they are a party may appeal to the Supreme Court for the correction of any error in fact or in law, with the leave of the Supreme Court.<sup>376</sup>

## 3.6 Rights conferred

### 3.6.1 Ownership

Section 67 of the IP Act states that the right to a patent belongs to the following persons and that they are deemed to be the owners of the invention:

- an inventor;<sup>377</sup>
- joint inventors;<sup>378</sup> and
- if "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, ... so long as that application is not withdrawn, abandoned or rejected".<sup>379</sup>

Section 69 provides that rights of ownership in employment contexts accrue to:

- the employer of the inventor where the invention was made in the performance of a contract of such employment, unless any contract provided otherwise – 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 ... , the inventor shall be entitled to equitable remuneration which may be fixed by the Court [upon] an application made to it in that behalf, in the absence of an agreement between the parties".<sup>380</sup>
- the person who commissioned the work where the inventor was performing a contract for the execution of work, unless any contract provided otherwise – with the same proviso as immediately above regarding equitable remuneration;<sup>381</sup> and
- the employer of the inventor where the invention was made "in the field of activities" of their employer, using data or means placed at their disposal by the employer, even if the contract of employment did not require the inventor to engage in any inventive activity, unless any contract provided otherwise – and, again, provided that the employee-inventor is entitled to equitable remuneration, which, in the absence of agreement between the parties and upon application to it, may be fixed by the Court, taking into account the employee's emoluments, the economic value of the invention and any benefit derived from it by the employer.<sup>382</sup>

### 3.6.2 Exclusive rights

Section 84(1) of the IP Act provides that:

- ... the owner of a patent shall have the following exclusive rights in relation to a patented invention: —
- (a) to exploit the patented invention;
  - (b) to assign or transmit the patent;
  - (c) to conclude licence contracts.

374 IP Act, s. 173(3).

375 IP Act, s. 173(4).

376 IP Act, s. 173(5).

377 IP Act, s. 67(1).

378 IP Act, s. 67(2).

379 IP Act, s. 67(3).

380 IP Act, s. 69(1).

381 *Ibid.*

382 IP Act, s. 69(2), proviso.

Section 84(2) of the Act forbids any person from doing any of these acts without the consent of the patent owner.

Section 84(3) of the Act provides that “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.

### 3.6.3 Limitations and exceptions

The IP Act permits the use of a patented invention by a third party without the consent of the patent owner in certain situations – namely, exceptions for:

- use in private or noncommercial scientific research;
- use on foreign vessels, aircraft, land vehicles temporarily in Sri Lanka; and
- a third party’s use in good faith before the filing or priority date.

#### 3.6.3.1 Scientific research

The private or noncommercial scientific research use exception is found in section 86(1)(i) of the IP Act, which provides that section 84 (setting out the patent owner’s exclusive rights) shall “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”.

A related and commonly recognized exception in other jurisdictions is the regulatory review exception, often referred to as the *Bolar* (or early working) exemption.<sup>383</sup> This exception permits a third party to use a patented substance for the purpose of securing marketing approval during the patent term without the consent of the patent owner before the expiry of the patent. This exception is not recognized in the IP Act, however, and therefore it is not available in Sri Lanka.

#### 3.6.3.2 Use on foreign vessels, aircraft, land vehicles temporarily in Sri Lanka

An exception for the use of articles on foreign vessels, aircrafts and land vehicles while they are temporarily in Sri Lanka is found in section 86(1)(iii) of the IP Act, which provides that section 84 (setting out the patent owner’s exclusive rights) shall “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”.

#### 3.6.3.3 Prior manufacture or use exception

If a third party has used or manufactured a patented invention in Sri Lanka in good faith before the filing or priority date, the third party has the right, under section 87(1) of the IP Act, to exploit the patented invention, despite the grant of the patent, subject to certain conditions:

Where a person at the filing date or, where applicable, the priority date, of the patent application—

<sup>383</sup> So named for the U.S. case in which it was established: U.S. Court of Appeals for the Federal Circuit [1984]: *Roche Products, Inc. v. Bolar Pharmaceutical Co.*, 733 F.2d 858.

- (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.

This exception ensures the appropriate balance between patent owners and the legitimate interests of third-party prior users who have independently used or manufactured the patented invention in good faith, or made serious preparations to do so, but did not patent their own technical work at the appropriate time, prior to the filing or priority date of the application for the granted patent.

The first proviso under section 87(1) conditions the exception upon the product or process having been used, made or sold by the prior user in Sri Lanka – rather than abroad – prior to the filing or priority date of the granted patent application.

The second proviso obliges the claimant to prove that their knowledge of the invention was not obtained as a result of the applicant or predecessor in title disclosing the invention during the grace period for such disclosure, if such disclosure occurred. If they cannot do so, then the exception is not available to them.

Section 87(2) of the Act provides that the prior use right cannot be assigned or transmitted except as part of the business of the person concerned.

Under section 87(3), the prior use right does not affect the right of any person to object to the grant of a patent on the ground that such invention is not patentable under sections 63–66 of the Act or to seek relief under sections 68 and 99 of the Act.

#### 3.6.3.4 Exhaustion and parallel imports

Section 84(3) of the IP Act grants patent owners the exclusive right to exploit the patented product or process and prohibits the import or export of a patented invention without the consent of the owner of a patent, whether it is a product patent or process patent.<sup>384</sup>

The first sale doctrine, also known as the exhaustion doctrine, recognizes that, once the owner has sold a product, the patent owner's control over it is exhausted and the patent owner cannot thereafter object to acts of resale or other disposal of the product by the lawfully acquired owner.

The exhaustion doctrine allows the owner of a legally acquired patented product to sell, lend or otherwise dispose of that product without the patent owner's permission. This doctrine is recognized in section 86(1)(iv) of the IP Act, which provides that the exclusive rights of the patent owner shall "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".

Thus, once the owner has sold a patented product, their control over that product is exhausted and they cannot thereafter object to acts of resale or other disposals by the lawfully acquired owner.

The exhaustion doctrine can take the form of national or international exhaustion.

<sup>384</sup> IP Act, s. 84(3)(a)(i), (b)(ii).

- National exhaustion extinguishes the patent owner's distribution right only after they have placed the goods for sale on the domestic market.
- International exhaustion takes place when the patent owner has placed the goods for sale anywhere in the world.

Parallel import refers to a genuine product that has been legally manufactured but which the original manufacturer or authorized distributor did not intend for sale in the country to which it has been imported and in which it is being sold through unauthorized channels. Also known as grey market goods, parallel imports are permitted in countries that adopt an international exhaustion regime, but they violate the right of the owner in countries that have adopted a national exhaustion regime.

The IP Act does not expressly indicate whether the limitation in section 86(1)(iv) applies to goods put on the market by the owner or licensee domestically or anywhere in the world.<sup>385</sup>

The Act does, however, provide that:

- no person is entitled to exploit the patented invention without the consent of the patent owner; and
- under section 84(3), the right of the patented owner to exploit the patented invention includes the right to prevent any person from importing a patented product or a patented process.<sup>386</sup>

When section 86(1)(iv) is read together with section 84(3), it appears that "articles which have been put in the market" may refer to the domestic market and not the international market, reflecting a national exhaustion regime that does not permit parallel imports.

### 3.6.3.5 Compulsory and government use licenses

Compulsory (nonvoluntary) licensing and government use licensing enables a government to authorize third parties or itself to use the subject matter of a patent without the owner's authorization. Compulsory or government use licenses are often issued by governments for reasons of public policy. For example, such licenses can be issued to remedy anticompetitive practices, to address nonuse of a patent, to enable the exploitation of dependent patents, and to promote public health and access to medicines.

Section 86(2) of the IP Act recognizes compulsory and government use licenses as limitations to the rights granted to a patent owner under section 84.<sup>387</sup>

Section 86(2) provides that any person, body of persons, government department or statutory body may make an application to the Director-General for the purpose of obtaining a license.

Under section 86 of the IP Act, the Director-General can issue three types of licenses depending on the type of person who makes the application or the nature of the claimed invention. It also recognizes a fourth category in circumstances in which a judicial or administrative body has decided that the manner in which an owner or licensee is exploiting a patent is anticompetitive.

#### 3.6.3.5.1 Categories of compulsory and government use license

- **Category 1 – General** Under section 86(2)(b) of the IP Act, the Director-General may issue a license for exploitation so long as the applicant has demonstrated that it made efforts to obtain approval from the owner (i.e., a voluntary license) on reasonable commercial terms and conditions, and that such efforts were not successful within a reasonable period of time.

<sup>385</sup> See, e.g., WIPO Standing Committee on the Law of Patents, *Draft Reference Document on the Exception Regarding the Exhaustion of Patent Rights* (August 18, 2022, SCP/34/3), para. 106, available at [www.wipo.int/edocs/mdocs/scp/en/scp\\_34/scp\\_34\\_3.pdf](http://www.wipo.int/edocs/mdocs/scp/en/scp_34/scp_34_3.pdf).

<sup>386</sup> IP Act, s. 84(2), (3)(a)(i), (b)(iii).

<sup>387</sup> At time of writing, however, there have been no reported instances in which Sri Lanka has issued a compulsory or government use license.

- **Category 2 – Emergencies, extreme urgency and public noncommercial use**  
Category 2 relates to the grant, under section 86(2)(c) of the IP Act, of a license during a national emergency or any other circumstance of extreme urgency, or in the event of public noncommercial use for purposes such as national security, nutrition or health, or for the development of other vital sections of the national economy.

In these instances, there is no need to seek a voluntary license from the patent holder as a precondition for issuing a compulsory or government use license.

- **Category 3 – Dependent patents** The third category applies to dependent patents.

Under section 86(2)(g) of the IP Act, where an application for a license:

... is for the exploitation of a 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 an[] 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.

- **Category 4 – Anticompetitive conduct** Section 86(2)(m) of the IP Act recognizes a fourth category where a judicial or administrative body has decided that the manner of exploitation of a patent by its owner or licensee is anticompetitive and the Director-General is satisfied that the exploitation of a patent pursuant to a compulsory or government use license would remedy such practice.

In category 4, there is no need to seek a voluntary license from the patent holder as a precondition for issuing a license.

In this category, the conditions applicable to the other categories do not apply (i.e., those set forth in section 86(2)(b), (c) and (g) of the Act).

#### 3.6.3.5.2 Limitations and qualifications

Section 86(2) of the IP Act applies the following conditions to licenses issued under that subsection:

[ ... ]

- (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 supplying 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.

[ ... ]

- (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.

#### 3.6.3.5.3 Rights of the patent owner

Once the Director-General has decided to grant a license, the provisions of section 86(2)(h)–(k) of the IP Act apply to protect the interests of the patent owner:

- (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[e] has failed to comply with terms of such licence.
- (k) ... 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.

Section 86(3) of the Act provides that any person aggrieved by any decision of the Director-General under section 86(2) may tender an appeal to the Commercial High Court under the provisions of section 173.

### 3.6.4 Assignment

Section 84(1)(b) of the IP Act provides that the owner of a patent shall have the exclusive right, among others, “to assign or transmit the patent”.

Section 88 provides that a patent application or patent may be assigned or transmitted and sets out a series of procedural steps to ensure that the new owner is recognized as the official holder of the patent rights:

- (1) ... 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.

Regulation 52 of the 2006 IP Regulations provides how an assignment or transmission of a patent or patent application under section 88 of the IP Act should be submitted to the Director-General.

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The legal effect of an assignment was at issue in ***St. Regis Packaging (Pvt) Ltd v. Ceylon Paper Sacks Ltd***.<sup>388</sup>

The plaintiff, St. Regis Packaging (Pvt) Ltd, was a registered assignee of a patent for a product called “SAFE T PACK”, a container used for packing tea as a cost-effective alternative to plywood chests.

St. Regis filed an infringement action under section 179 of the then-applicable Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) – akin to section 170 of the current IP Act – alleging that the defendant, Ceylon Paper Sacks Ltd, had infringed its rights by manufacturing and selling products exploiting the patent that had been assigned to St. Regis.

The High Court refused to grant an interim injunction on the basis, *inter alia*, that an assignee cannot seek relief for infringement of patent rights under section 179 of the IP Code.

388 Supreme Court of Sri Lanka [2000]: *St. Regis Packaging (Pvt) Ltd v. Ceylon Paper Sacks Ltd*, Case No. SC/CHC/ Appeal/1/2000 (unreported).

Setting aside the order of the High Court, the Supreme Court held as follows:

1. After the assignment of the patent was recorded in the Register, St. Regis, as assignee, had all the rights of the proprietor of the patent and was entitled to file an action for an injunction under section 179 of the Code.
  - (a) In patent law, the term “assignment” means an act whereby a patentee transfers patent rights, wholly or in part, to the assignee, who thus acquires the right to prevent others from making, using, exercising or selling the invention.
  - (b) A legal assignee is entitled to have their name entered as the proprietor of the patent in the Register of Patents and they can then exercise all the rights of the proprietor of a patent.
2. Assignment is the transfer of the ownership, so that, after the transfer, the original owner is now itself excluded from using the property unless the new owner gives the original owner a license.
3. An assignment in terms of section 84(1) of the IP Code (and therefore section 88 of the current IP Act) would thus pave the way for an assignee to assume the position of the “registered owner” of a patent, industrial design or mark.
4. The cumulative effect of the provisions of the Code (section 84, read together with section 179) is that, when the assignment is so recorded in the Register, the assignee is entitled to enter their name in the Register as a proprietor of the patent.
5. In terms of section 179 of the Code, the registered owner has the right to seek an injunction to restrain any person from committing or continuing an infringement of the patent; hence, an assignee who has become entitled to the rights of a registered owner is in a position to seek relief in terms of section 179.

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Given the parallels between sections 88 and 170 of the current IP Act and sections 84 and 179 of the IP Code, the reasoning of this case remains applicable today.

### 3.6.5 Licensing

Section 84(1)(c) of the IP Act gives the patent owner the exclusive right to conclude license contracts.

A license contract is defined in section 90 of the Act to mean:

... 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 licensee’) a licence to do all or any of the acts referred to in [section 84(1)(a) and (3)].

Section 84 refers to the rights of the owner of the patent.

The manner in which a license may be granted is set out in section 91 of the IP Act:

- (1) A licence contract shall be in writing and 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 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.

The decision to record the license is at the discretion of the parties involved in the agreement (i.e., it is voluntary rather than mandatory). Recording the license is beneficial to the parties, however, by putting the public on notice of the license and allowing the licensee to enforce its rights against third-parties.

The registration of a patent license agreement is voluntary even when the Director-General is required to record the license upon a request in writing by the parties under section 91 of the Act.

### 3.6.5.1 Types of license

There are two different types of license: exclusive and nonexclusive.

- **Exclusive license** An exclusive license grants the licensee the sole right to use the patent rights in the manner specified in the license agreement. Exclusive licenses may be limited in scope by territory, duration or purpose, or they may be contingent on certain performance requirements. The patent owner cannot exercise patent rights in the same way as the exclusive licensee or grant the same rights to anyone else during the term of an exclusive license.
- **Nonexclusive license** A nonexclusive license allows the licensee to exercise the patent owner's rights as specified in the license agreement, but the patent owner can grant multiple licenses to other parties and may also use the patent rights themselves. There is no limit under a nonexclusive license to the number of individuals a patent owner can allow to exploit the patented invention specified in section 84(3) of the IP Act.

### 3.6.5.2 Rights of licensee and licensor

Section 92(1) of the IP Act sets out that:

- 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 [section 84(1)(a) and (3)] 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.

Section 93 of the Act sets out the rights of a licensor:

- (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 [section 84(1)(a) and (3)].
- (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 [section 84(1)(a) and (3)].

### 3.6.5.3 Invalid clauses in license contracts

Section 94 of the IP Act prohibits certain clauses in license contracts:

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...

The prohibition on restrictions not derived from the patent owner's rights or necessary to safeguarding them is designed to protect against unfair, anticompetitive or otherwise unlawful clauses that would undermine the effectiveness or fairness of such contracts and prevent licensees from challenging the validity of a patent in court or in an administrative proceeding.

However, section 94 clarifies that the following do not constitute "null and void" restrictions under the Act:

- (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.

Section 95(b) permits what are known as no challenge clauses.

### 3.6.6 Duration of rights

Section 83 of the IP Act addresses the duration of a patent.

Under section 83(1), a patent is valid for 20 years from the date on which the application for its registration was filed (the filing date). This period applies both to product and process patents.

Under section 83(2), if, at the end of two years after the date on which the patent was granted (the granting date), a patentee intends to keep it in force, they must pay the prescribed annual fee; they may do so at any time within 12 months before that first due date and they must then make a renewal payment for each succeeding year of the term of the patent.

Should the patentee miss that first due date, they have a grace period of six months in which to make the payment, along with such surcharge as may be prescribed.<sup>389</sup>

The patentee may be allowed to pay in advance the whole or any portion of the prescribed annual fees.<sup>390</sup>

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In *K.I.K. Land (Pvt) Ltd v. Director Intellectual Property*,<sup>391</sup> the petitioner, K.I.K. Land, alleged that:

- the patent had not been renewed by its registered owner after its expiration; and
- the Director-General (the first respondent) had nevertheless renewed it long after the six-month grace period, in violation of section 83(2) of the IP Act.

K.I.K. Land challenged the Director-General's decision to renew the patent after it had been expired for 11 years and sought to quash the decision of the Director-General to accept belated fees from the owner, which hoped to keep the patent in force.

K.I.K. Land also sought a writ of prohibition prohibiting the Director-General from renewing the patent in future.

The Court of Appeal dismissed the petitioner's writ and held as follows:

1. There is no express provision in the IP Act that disallows the renewal of a patent on receipt of all late annual fees paid out of time after the six-month grace period.
  2. The acceptance of annual fees in return for renewal of the expired patent after the grace period provided for by section 83(2) is not inconsistent with any other provisions of the Act.
  3. The owner had never intended to discard the patent and, despite his long delay in applying for renewal, the law did not expressly provide for the removal of the patent.
  4. The Director-General had exercised his statutory powers within the parameters of the law contained in the IP Act and acted within the powers conferred upon him.
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<sup>389</sup> IP Act, s. 83(2), second proviso.

<sup>390</sup> *Ibid.*

<sup>391</sup> Court of Appeal of Sri Lanka [2011]: *K.I.K. Land (Pvt) Ltd v. Director-General, Intellectual Property*, Case No. 83/09, 2 Cabral's IPLR 837.

## Part II Challenges to the validity or ownership of a patent

### 3.7 Administrative review of a patent

There is no provision for administrative opposition proceedings before a patent is granted. This policy is intended to eliminate delays and expenses at that early stage.

### 3.8 Judicial review of a patent

The following forms of judicial action may be instituted to challenge the Director-General's positive decision in granting a patent:

- an action objecting to the grant of the patent;
- an application for assignment of the application or patent; or
- a nullification or invalidation action.

#### 3.8.1 Action objecting to the grant of a patent

Section 87(3) of the IP Act provides that an action may be filed objecting to the grant of a patent and seeking the Commercial High Court's declaratory judgment that the invention is not patentable under sections 63–66.

Under section 79(2) of the IP Act, this objection can be filed before the grant of the patent if the patent applicant requests that the Director-General refer the application to a local examiner, triggering the publication of a notice regarding the pending patent to which third parties may object.

Once the action has been filed with the Court and the Director-General informed accordingly, they may not proceed to grant the patent.

#### 3.8.2 Application for assignment of the application or patent

Section 68 of the IP Act provides that an application may be filed for an order to have the patent or a patent application assigned if the essential element of the invention claimed in the patent was unlawfully derived from an invention for which the right to the patent belongs to the applicant.

See also [section 3.9](#) on the recourse available to a third party with rights to a patent unlawfully obtained by another person.

#### 3.8.3 Nullification or invalidation action

Under section 99(1) of the IP Act, any person with a legitimate interest or any competent authority, including the Director-General, is entitled to file a nullity proceeding in the Commercial High Court, seeking to invalidate a patent on one or more of the following grounds:

- (a) that what is claimed as an invention in the patent is not an invention within the meaning of [section 62(1)], or is excluded from protection under [section 62(3)], or [section 79(1)], 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 fail to satisfy the requirements of [section 71(3) and (4)]; 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.

### 3.8.3.1 Procedural requirements

Under section 99(1) of the IP Act, the owner of the patent and every assignee, licensee or sublicensee on record must be made a party to a nullity action.

Under section 99(3)(b), if the ground for action is that the patent belongs to a person other than that to whom it was granted and if that first person is not the applicant, the person to whom the right to the patent is alleged to belong must be given notice of the application.

Under section 99(3)(a), an assignee, licensee or sublicensee who has been made a party to the application 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.

### 3.8.3.2 Declaration of nullity

Section 99(2)(a) of the IP Act provides that if the nullity proceedings apply only to some of the claims or some parts of a claim, the Commercial High Court can declare only such claims or parts of a claim null and void.

Under section 99(2)(b), it shall do so in the form of a limitation of the claim(s) in question.

### 3.8.3.3 Date and effect of nullity

Upon a final decision of the Commercial High Court declaring total or partial nullity of a patent, the patent shall be deemed to have been null and void, whether in full or in part, from the date on which it was granted.

Section 100 of the IP Act provides that when a declaration of nullity becomes final, the Registrar of the Court shall notify the Director-General, who must record the declaration in the Register of Patents and publish it in the Gazette.

### 3.8.3.4 Consolidation of action of nullity and infringement action

If, in an action challenging the validity of a patent, the defendant has set up a counterclaim and sought a declaration that the plaintiff has infringed the patent, both claims can be heard in the same action.

If separate actions have been filed for the nullity and infringement, a court may – with the consent of the parties – consolidate two actions in which the questions of law or fact in issue are substantially the same.<sup>392</sup>

With the consent of the parties, the court may order that:

- two or more actions are to be tried at the same time and on the same evidence;
- the evidence in one action is to be used as evidence in another action, or
- one of the actions is to be tried and the other actions are to be stayed, pending the result, by which the parties involved must abide.<sup>393</sup>

<sup>392</sup> Civil Procedure Code, s. 149A, inserted by [Civil Procedure Code \(Amendment\) Act, No. 8 of 2017](#), s. 11.

<sup>393</sup> *Ibid.*

## 3.9 Recourse available to a third party with rights to a patent unlawfully obtained by another

If a third party believes that a patent has been unlawfully obtained by another party for their invention, there are several different routes through which they can seek recourse, as provided for in section 68 of the IP Act.

### 3.9.1 Application to the Court to have the patent or patent application assigned

Section 68 of the IP Act authorizes the Commercial High Court to assign a patent application or a patent that has been unlawfully derived from an invention for which the right to the patent belongs to another person:

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:

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.

### 3.9.2 Declaratory judgment for the nullity of patent

Section 99(1)(d) of the IP Act provides that the aggrieved party is entitled to make an application to the Commercial High Court, showing their legitimate interest, and seeking a declaration that the patent is null and void on the ground that they are the rightful owner (provided that the patent has not been assigned to them).

See [section 3.8.3](#) for additional grounds of nullity.

### 3.9.3 Action for damages and injunctive relief

If damage has been caused to a third party as a result of the unlawful acquisition of a patent by another, the third party may seek monetary damages. They may also seek an order to prevent the unlawful patent holder from continuing to assert or enforce the patent if the damage is continuing.

### 3.9.4 Unfair competition action

A party may file an action for unfair competition if the patent holder, having unlawfully obtained a patent from a rightful owner, engaged in any act or practice in the course of industrial or commercial activities constituting an act of unfair competition under section 160 of the IP Act. See [Chapter 2, section 2.7.2](#).

### 3.9.5 Licensing or assignment

In addition, the parties to the dispute can also resolve the issue through negotiation and enter into a license agreement or seek an assignment of the patent from the unlawful holder to the rightful party.

### 3.10 Patent-specific considerations in civil judicial infringement proceedings

#### 3.10.1 Statutory basis

A patent confers upon the patent owner exclusive rights during its term. Section 84(2) of the IP Act states the basic rule of infringement: “No person shall do any of the acts referred to in [section 84(1)] without the consent of the owner of the patent.”

Infringement of a patent is not specifically defined by the IP Act, but it is understood to be any act by a third party performed without the consent of the patent owner in breach of their exclusive rights defined in section 84(1) of the IP Act, read together with section 84(3), during the term of the patent in Sri Lanka.

An action for civil infringement of a patent can be brought under section 170(1) of the Act on the basis of:

- actual infringement;
- threatened infringement; and/or
- potential (or possible) infringement.

See [Chapter 1, section 1.9.1.1](#), for more on these three types of infringement.

As well as the patent owner, any person with a legitimate interest may initiate an action in the Commercial High Court seeking a declaration of noninfringement (see [Chapter 1, section 1.9.1.3](#)).

#### 3.10.2 Elements of an infringement claim

In an infringement action, the burden of proof is on the patent owner to prove that:

- the patent is valid; and
- the defendant has performed an act infringing the patent owner’s exclusive rights specified in section 84(1) of the IP Act.

##### 3.10.2.1 Validity

The plaintiff in an infringement action must prove that they are the owner of a valid (i.e., not expired) patent.

The patent owner does *not* generally need to provide proof in the infringement action that the invention meets all the patentability requirements, such as patentable subject matter, novelty, inventive step and industrial applicability. Such validity is presumed once the Director-General has recorded the patent in the Register of Patents, under section 79(2) of the IP Act, and published notice of the patent in the Gazette, under section 79(3) – unless the patent has been invalidated by a court.

If the defendant in an infringement action challenges the validity of a granted patent, the burden of demonstrating invalidity lies with them.

It is for the defendant to prove that the patent should not have been granted in the first place because, for example, the invention is excluded from patentable subject matter, does not meet the novelty requirement, or lacks an inventive step or industrial application.

### 3.10.2.2 Infringing act

The plaintiff in an infringement action must also establish that the defendant's product or process falls within the claims of the patent in violation of the rights to the plaintiff under section 84 of the IP Act.

The infringing acts should have been committed:

- in relation to a product or process falling within the scope of the claims of the patent after the patent was granted; and
- in Sri Lanka, where the patent was granted.

In an infringement action relating to a patented process from which a product was obtained, it is the plaintiff's burden to prove that the defendant has produced an identical product from that process without their authorization.

Under section 85(1) of the Act, however, the burden of proof shifts from the plaintiff to the infringer (i.e., the defendant) to establish that an alleged infringing product was not obtained by that patented process:

- (a) if the product obtained by the patented process is new; or
- (b) 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.

If the defendant contends that their process is different from that of the plaintiff, the burden is on the defendant to prove that fact under section 101 of the Evidence Ordinance.

In the gathering and evaluation of evidence, however, the legitimate interests of the alleged infringer in protecting their undisclosed information shall be taken into account.<sup>394</sup>

Further, the IP Act provides certain statutory limitations and exceptions to the exclusive rights of a patentee (e.g., under section 86) that must be considered when assessing whether infringement has occurred.

For more on these limitations and exceptions, see [section 3.6.3](#).

#### 3.10.2.2.1 Scope of the claims (claim construction)

In determining whether infringement has occurred, the first step is claim construction – that is, determining the meaning and scope of the patent claims asserted to have been infringed.

The second step is determining whether the claims so interpreted cover the allegedly infringing product or process.<sup>395</sup>

The claims define the scope, extent and limits of the protection afforded by the patent, and the description and drawings are used to interpret them.<sup>396</sup>

The claims, which contain the characteristics and describe the boundaries of the invention made by the inventor, are of primary importance in determining the scope and the extent of the patent rights. Their function is to define clearly and with precision the monopoly claimed, so that others may know the exact boundary of the area within which they will be trespassers. Their primary object is thus to limit and not to extend the monopoly: what is not claimed is disclaimed.<sup>397</sup>

<sup>394</sup> IP Act, s. 85(2).

<sup>395</sup> *Ibid.*

<sup>396</sup> IP Act, s. 71(6).

<sup>397</sup> House of Lords of the United Kingdom [1938]: *Electric and Musical Industries Ltd v. Lissen Ltd* (1938) 56 RPC 23.

Claim construction is a matter of law to be decided by the judge, but it has become increasingly useful for judges to consult technical experts. Judges are not, however, obliged to follow any such expert testimony when making their decision.<sup>398</sup>

**3.10.2.2.1.1 Analytical framework** Section 71(6) of the IP Act provides that the terms of any claim shall determine the scope and extent of the protection afforded by the patent.

To date, the superior courts of Sri Lanka have not issued a decision that would provide further guidance on patent claim construction.

The courts of the United Kingdom and the United States, which have similar legal traditions and approaches to Sri Lanka, have adopted distinct but converging approaches to assessing the scope and extent of the invention claimed by a patent.

- **Plain and ordinary meaning approach** The plain and ordinary meaning approach to claim construction adopted by courts in the United States focuses on the literal, ordinary meaning of the terms used in the patent claims, as it would be understood by a PHOSITA as of the effective filing date.

The first task of a court in determining the meaning of a claim in this way is to look at the claim's language and its ordinary meaning; only then should it look at the documentary context (i.e., the specification or description) and, if ambiguity remains, extrinsic evidence.

The plain and ordinary meaning approach gives claim terms the meaning they would have to a PHOSITA based upon the actual language used, as understood in the context of the entire patent.<sup>399</sup>

- **Purposive approach** The purposive approach to claim construction followed by courts in the United Kingdom focuses on the purpose or intention of the invention, as understood at the time of filing, rather than the literal language of the claims.

Using this approach, the court construes the claims purposively to determine how they would be understood by a PHOSITA as indications of the scope of the invention. To do so, the court considers not only the literal wording of the claims but also the purpose or objective that the invention is intended to achieve – that is, the intention behind the wording of the claims (although such intention should be assessed objectively).<sup>400</sup>

Under the purposive approach, the court seeks to determine what the PHOSITA would have understood the patentee to mean by the language of the claim, as informed by its technical purpose and the patent as a whole.

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In *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*,<sup>401</sup> the Commercial High Court interpreted the invention from the perspective of a PHOSITA, while taking into account the purpose and function of the invention described in the description, which can inform the meaning of claim terms.

The Court stated as follows:

1. The claims must be construed according to their terms upon ordinary principles and it is not legitimate to confine the scope of the claims by reference to some limitation that may be found in the body of the specification but which is not expressly or by proper inference reproduced in the claims themselves.
2. In terms of section 71(6) of the IP Act, the scope and extent of protection is governed by the terms of the claims, and the description and drawings may be used to interpret the claims.

<sup>398</sup> Supreme Court of the United States [1996]: *Markman v. Westview Instruments, Inc.*, 517 U.S. 370.

<sup>399</sup> U.S. Court of Appeals for the Federal Circuit [2005]: *Phillips v. AWH Corp.*, 415 F.3d 1303.

<sup>400</sup> House of Lords of the United Kingdom [1982]: *Catnic Ltd v. Hill & Smith Ltd* [1982] RPC 183.

<sup>401</sup> High Court of the Western Province of Sri Lanka [2018]: *Ramawickrema Gamachchige Ravindra v. Riyad Ismail and Director-General of Intellectual Property*, Case No. 01/2010/IP (unreported).

3. The construction of the prior art and the claims is a matter for the court, whose aim is not only to ascertain the intention of the patentee, as expressed, but also to take into account the purpose of the various parts of the specification. Thus, the claims have to be construed as part of the whole specification.
4. The claims must be construed purposively, the inventor's purpose being ascertained from the description and drawings.

Both approaches are aimed at interpreting patent claims using distinct methodologies. While the plain and ordinary meaning approach focuses more on the literal and ordinary meaning of the terms, as understood by the PHOSITA, the purposive approach focuses more on the purpose or intention of the invention, as understood by the PHOSITA.

It is to be noted that the Sri Lankan IP Act uses the word "description" in its section 71(3) rather than "specification", as it is known in some jurisdictions. The word "description" refers to the detailed description of the invention contained within the patent application.

The patent application includes:

- (a) a description;
- (b) claims;
- (c) drawings (if applicable); and
- (d) an abstract.

The description is that part of the patent application which must disclose the invention sufficiently clearly and completely for the invention to be evaluated and carried out by a PHOSITA.

The description explains how the invention works, how it is made, or how it can be used or carried out, as well as the best mode known to the applicant for carrying out the invention.

**3.10.2.2.1.2 Evidence** In claim construction, it is useful to categorize evidentiary inputs, as has the Supreme Court of the United States, as intrinsic evidence and extrinsic evidence.<sup>402</sup>

- **Intrinsic evidence** So-called intrinsic evidence consists of the specification (or description), the claims and the prosecution history.

Section 71 of the IP Act requires the applicant to include in their patent application the claims, a description and any prior applications filed abroad for the same, or essentially the same, invention as that claimed.

Where the ordinary meaning of claims language may not be readily apparent even to judges in claim construction, a court considers:

- the role of the specification/description; and
- the relationship between the specification/description and the claims.

It is fundamental that claims of a patent are always to be read or interpreted in the light of the specification/description and that both are to be read with a view to ascertaining the invention. The meaning of terms in the claims is therefore determined in the context of the entire patent document.

The specification, which contains a written description of the invention, provides context and defines the invention in detail such that a PHOSITA might make and use the invention.

The specification/description describes how to make and use the patented invention, while the claims must clearly define what the inventor did and did not invent.

<sup>402</sup> The discussion in this subsection applies the reasoning of the decision in Supreme Court of the United States [1996]: *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 373.

The prosecution history, also known as the file history of the patent application, includes any arguments, divisions and amendments made to the claims pursuant to section 75 of the IP Act. The prosecution history can also assist with interpreting the claims' terms to understand their intended scope and to ascertain the true meaning of the language used in them.

The claims history may also be useful to define the broadest scope and then interpret broad dependent claims.

- **Extrinsic evidence** If the meaning of the claim is ambiguous, then a court may use extrinsic evidence to explain the meaning of technical terms.

Extrinsic evidence consists of all evidence external to the patent and prosecution history, including expert testimony, inventor testimony, technical dictionaries and learned treatises. This evidence is used to explain scientific principles, the meaning of technical terms, phrases and terms of art that appear in the patent, and its prosecution history.

Extrinsic evidence is intended to aid the court's understanding of the patent not in an effort to vary or contradict the terms of the claims.

### 3.10.2.2.2 Tests for civil infringement

Once the meaning and scope of the patent claims asserted to have been infringed have been assessed via claim construction, a court must then consider whether, when the claims are compared with the allegedly infringing product or process, the patented invention has been infringed (i.e., whether the claims, so interpreted by the court, cover the accused product).<sup>403</sup>

Patent infringement is assessed by means of several tests, each addressing different aspects of how a product or process relates to the claims of a patent.

**3.10.2.2.1 Literal infringement** Section 71(6) of the IP Act provides that the scope and extent of protection afforded by a patent is defined by the claims. Literal patent infringement occurs when each element and feature of the claim is found in the accused product or process in its literal form.

When comparing the individual elements of a claim with the corresponding elements of the alleged infringing product or process, the following questions must be answered:

1. Are all the elements of the claim present in the alleged infringing product or process?
2. Do all the elements have the same form?
3. Do all the elements perform the same function?
4. Is the relationship among the elements the same?

If the answer to each of these questions is "yes", then literal infringement is established.

The presence of additional elements in an allegedly infringing product or process does not avoid infringement if all the elements of the patent claim are present in the accused product or process. The result remains that the accused product or process infringes the patent.

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In ***Michael Laurents Cyrille Caderamanpulle v. Mohamad Haniffa Mohamad Ajmal, Quikpak (Pvt.) Ltd and another***,<sup>404</sup> the plaintiff asserted that its Patent No. 10694, "SAFE-T-PACK", and Patent No. 11765, "RIGID SAFE PACK", were infringed by the first defendant's Patent No. 13237, "RECYCLABLE ECO-FRIENDLY TEA SACK". The plaintiff sought a declaration that the first defendant's patent was null and void.

<sup>403</sup> *Ibid.*

<sup>404</sup> High Court of the Western Province of Sri Lanka [2014]: *Michael Laurents Cyril Caderamanpulle v. Mohamed Haniffa Mohamed Ajmal and another*, Case No. HC/Civil/33/2004/03 (unreported).

The first defendant claimed that his Patent No. 13237 had many novel features: unlike the plaintiff's invention, the defendant's patent was for a recyclable sack that used mortised film on its inner lining.

It was not in dispute that the plaintiff's two patents had been registered prior to registration of the first defendant's patent or that the first defendant was in the packaging and selling industry. The plaintiff's Patent No. 10694 consisted of:

- (i) an outer heavyweight kraft paperboard and an inner heavy paperboard, backed with aluminum foil, laminated on the paperboard using low-density polyethylene or polypropylene plastic resin as the laminate; and
- (ii) top and bottom ends reinforced with coated polypropylene fabric to strengthen the container and protect the contents.

The packaging was designed to prevent the breakage of large-leaf tea during storage and transportation.

The Commercial High Court dismissed the plaintiff's infringement claim.

The Court stated that infringement of a patent would have been established had all the features of the plaintiff's "PACK" been used in the first defendant's "SACK", but the plaintiff had failed to prove that fact and hence the claim for infringement failed.

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**3.10.2.2.2 Doctrine of equivalents** While the IP Act does not explicitly mention the doctrine of equivalents, it may be applied when there is no literal infringement but the accused's product or process performs substantially the same function, in substantially the same way, to achieve substantially the same result as the patented invention.

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The Commercial High Court considered the doctrine of equivalents on which the defendants relied in ***Dialog Axiata PLC v. Orleander International Ltd and Harold Prianne Anurath Wijetunge***.<sup>405</sup>

The plaintiff, Dialog Axiata PLC (the largest mobile network operator in Sri Lanka), instituted an action in the Commercial High Court against the defendants, seeking, inter alia, a declaration of noninfringement of under section 172 of the IP Act concerning its "eZ Cash" service and the defendants' Patent No. 14841 for the process of "Transfer of cash from one Mobile Phone User to another Phone User with Instant Access to the Withdrawal and Payout Cash".

The defendants relied upon the doctrine of equivalents to contend that the plaintiff had infringed multiple claims found in Patent No. 14841 in a nonliteral manner.

Rejecting the defendants' argument, the Court held as follows:

1. To determine equivalence under the doctrine of equivalents, a tripartite test is often applied. This test establishes that an accused product may be found to infringe if:
  - (a) it performs a function that is substantially equivalent;
  - (b) in substantially the same manner;
  - (c) to achieve the same result,
 as the claimed invention.
2. The doctrine of equivalents is subject to limitations when prior art is involved: "Equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case. But equivalence, in the patent law, is not a prisoner of a formula and is not an absolute to be considered in a vacuum."<sup>406</sup>

<sup>405</sup> High Court of the Western Province of Sri Lanka [2024]: *Dialog Axiata PLC v. Orleander International Ltd, and Harold Prianne Anurath Wijetunge*, Case No. CHC/12/2013/IP (unreported).

<sup>406</sup> Citing Supreme Court of the United States [1950]: *Graver Tank & Manufacturing Co. v. Linde Air Products Co.*, 339 U.S. 605, 609.

3. To determine whether an infringement has taken place, it is imperative to ascertain whether the plaintiff's "eZ Cash" service performs a similar function, in a similar manner to achieve the same result as the patented process.
4. The core function of Patent No. 14841 is the transfer of money among users of the service. The plaintiff's service had the same function of transferring money, but it incorporated a critical feature that allowed it to maintain a balance in a virtual wallet for future transactions that was not included in the defendants' patent.
5. While the defendants claimed that the mobile wallet feature served as an improvement of their Patent No. 14841, they provided no evidence to support their claim. In terms of functionality, the two processes did not execute functions that are substantially similar.
6. Upon comparing the two processes, the Court found the methods of activation of the service to be comparatively different. In Patent No. 14841, the activation required a vital component – namely, "a mobile transaction card" – that could not be found within the plaintiff's service.

### 3.10.2.2.3 Types of infringement

**3.10.2.2.3.1 Direct infringement** Direct infringement occurs when a third party, without the patent owner's permission, commits any of the acts reserved to the patent owner by section 84(3):

- (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 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.

**3.10.2.2.3.2 Indirect infringement** The IP Act of Sri Lanka does not explicitly recognize any indirect infringement of a patent.

Contribution and inducement are two types of indirect infringement.

- **Contribution** Indirect infringement can occur when a person contributes to or facilitates another person's direct infringement of the patent, such as when a person manufactures and sells an essential part of a patented invention despite knowing or suspecting that it will result in the infringement of a patent.
- **Inducement** Indirect infringement can also occur when a person induces or actively encourages another person to infringe the patent, such as by instructing, advising or otherwise persuading a person to engage in certain activities despite knowing or suspecting that those activities will result in the infringement of a patent. An example would be selling a device that provides customers with instructions on how to use it in a way that will directly infringe a patent.

### 3.10.3 Defenses

The following defenses are available in response to a civil allegation of patent infringement:

- the plaintiff is not entitled to sue for infringement (i.e., they have no standing – see section 3.10.4 below);
- noninfringement;
- invalidity on any of the grounds specified in sections 62–66 of the IP Act (see section 3.4.1 on patentable subject matter and section 3.4.2 on patentability requirements);<sup>407</sup>

<sup>407</sup> Under IP Act, s. 170(2), during the infringement proceedings, the defendant may request the Court to declare the registration of a patent provided for under the Act or any part of it null and void, in which case the provisions relating to the nullity of such registration (see section 3.8.3) shall apply as appropriate.

- the acts complained of are in accordance with the exceptions to the owner’s rights, as set out in sections 86(1), 86(2) and 87(1) of the IP Act (see [section 3.6.3](#) on limitations and exceptions);
- they have leave or license to use the invention; or
- the absence of jurisdiction.

### 3.10.4 Standing

The right to sue for infringement belongs to the registered patent owner, registered assignee and registered exclusive licensee.

Section 171 of the IP Act allows a licensee to institute an infringement action if the owner refuses or fails to apply for an injunction in their own name within three months of their receipt of the licensee’s request that they do so.

See [Chapter 1, section 1.9.2](#) for more on action under section 171.

### 3.10.5 Expert evidence

The question of whether the evidence of an expert is necessary is decided by the parties at the pretrial conference under the provisions of the Civil Procedure Code (Chap. 101), as amended. If a party wishes to call an expert, they must identify the expert at the pretrial conference and obtain an order from a court accordingly.<sup>408</sup>

The courts are permitted to appoint such experts under the provisions of the Civil Procedure Code.<sup>409</sup>

Judges usually rely on the evidence of experts on technical matters.

Such experts are called by the parties to testify at the trial, unless the parties agree that a technical report or document may instead be sufficient to determine any technical aspect of a patent dispute.

Expert testimony is critical in patent infringement cases, especially when the case involves technical aspects requiring specialized knowledge. In such cases, the average judge may not be familiar with technical meanings, or the specific technologies, functions and innovations involved in the patented invention. A judge must nevertheless bring to their assessment of those technicalities the same level of common general knowledge that a PHOSITA would possess and hence expert testimony can be essential.

Technical experts such as engineers, scientists, industry experts, damages experts and claim construction experts in the relevant field are able to explain to the judge technical aspects of the patent, the scope of the claims, a comparison of prior art and technical advancements over existing technologies. They can thus provide crucial evidence regarding whether an invention is novel and involves an inventive step, or whether the alleged infringement occurred.

Section 45 of the Evidence Ordinance (Chap. 14) provides that:

When the Court has to form an opinion as to foreign law, or of science, or art, or as to identity or genuineness of handwriting or finger impressions, palm impressions or foot impressions, the opinions upon that point of persons specially skilled in such foreign law, science, or art, or in questions as to identity or genuineness of handwriting or finger impressions, palm impressions or foot impressions, are relevant facts.

Such persons are called experts.

The primary function of expert witnesses in patent actions is to educate the court regarding the technology.

<sup>408</sup> Civil Procedure Code (Chap. 101), s. 142B(g), inserted by the [Civil Procedure Code \(Amendment\) Act, No. 29 of 2023](#), s. 19.  
<sup>409</sup> *Ibid.*

Expert evidence is not essential where the language of the claims does not involve the interpretation of technological terms, but it becomes important in situations in which the interpretation of such terms is required.

Under section 45 of the Evidence Ordinance, it is for the judge to form an opinion assisted by the opinion of an expert.<sup>410</sup> The general rule is that the expert's opinion is relevant, but the expert's evidence is not conclusive; it is the judge who makes the decision in the case.<sup>411</sup>

Indeed, since expert opinions concern technical facts rather than questions of law, the court need not follow them. Claim construction is a matter of law for the judge.

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In ***Michael Laurents Cyril Caderamanpulle v. Mohamed Haniffa Mohamed Ajmal and another***,<sup>412</sup> the Commercial High Court opined that, when assessing novelty and inventive step, courts must consider both technical know-how and the marketability of the products in question. The Court further acknowledged that, while the judge may not possess specialized knowledge and expertise in engineering or related fields, they must nonetheless come to a proper conclusion on novelty and inventive step even in the absence of expert technical evidence.

The judge in the case nevertheless declined to rule on an application for an interim injunction in the absence of expert testimony from a qualified person and dissolved the enjoining order that had been in force.

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## 3.11 Patent-specific considerations in criminal infringement proceedings

### 3.11.1 Criminal offenses

The IP Act recognizes three criminal offenses in respect of patents:

- infringement of the rights of the registered owner, assignee or licensee;
- false representations regarding patents; and
- unlawful disclosure of information relating to patents.

In addition, Sri Lankan law criminalizes abetting the commission of offenses abroad.

In all cases, the prosecution must prove both *actus reus* and *mens rea*.

#### 3.11.1.1 Infringement of the rights of the registered owner, assignee or licensee

Any person who willfully infringes any of the rights of the registered owner, assignee or licensee of a patent is guilty of an offense.

Section 181 of the IP Act states:

Any person who willfully 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 [LKR 500,000] 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.

The *mens rea* for an offense under section 181 requires that the accused *willfully* infringed the patent owner's rights.

410 Supreme Court of Sri Lanka [1958]: *The Queen v. K.A. Wijehamy and others*, 62 NLR 425.

411 Supreme Court of Sri Lanka [1960]: *A. Gratiaen Perera v. The Queen*, 61 NLR 522.

412 High Court of the Western Province of Sri Lanka [2014]: *Michael Laurents Cyril Caderamanpulle v. Mohamed Haniffa Mohamed Ajmal and another*, Case No. HC/Civil/33/2004/03 (unreported).

Willfulness means intent to violate a known legal duty. Willful patent infringement refers to the intentional or deliberate violation of patent rights where the infringer knows that their action, without authorization, is infringing on another person's patent rights.

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In *In re YOUNG AND HARS-TON'S CONTRACT*,<sup>413</sup> the High Court of Justice in England (Chancery Division) said that only intentional and deliberate acts would constitute willful infringement – that is, acts done deliberately and intentionally in contravention of legal rights, and not acts done by accident or inadvertently.

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In *People's Leasing and Finance PLC v. Commissioner-General of Inland Revenue*,<sup>414</sup> the Court of Appeal of Sri Lanka stated that the word “wilfully” means:

1. “the acts if done deliberately and intentionally not by accident or inadvertence, but so that the mind of the person who does the acts goes with it”;<sup>415</sup> or
2. “deliberately or purposely without reference to *bona fides* but ... in penal statutes, it is used in a sense denoting deliberately or purposely and with an evil intention”.<sup>416</sup>

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### 3.11.1.2 False representations regarding patents

Section 182 of the IP Act states that:

- (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 [LKR 500,000] 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.

Section 182 does not prescribe a particular *mens rea* or mental element that must be associated with the acts it prohibits, but courts generally presume that criminal liability requires *mens rea* even if the statute does not expressly mention it – unless Parliament clearly intended the offense to be one of strict liability.<sup>417</sup> This is particularly true when the offense carries imprisonment, as is the case here.

A court should therefore require it to be shown that the accused knew or had reason to believe that they had made a false representation regarding a patent in the manner specified in section 182((1)(a)–(c).

Section 38(2) of the Penal Code Ordinance, No. 2 of 1883, as amended (the Penal Code), declares that the word “offence” in its Chapter 4 (dealing with general exceptions) includes a thing punishable in Sri Lanka under any law other than the Penal Code.

413 Court of Appeal of England and Wales [1886]: *In re YOUNG AND HARS-TON'S CONTRACT* (1886) 31 Ch D 168.

414 Court of Appeal of Sri Lanka [2021]: *People's Leasing and Finance PLC v. Commissioner-General of Inland Revenue*, CA No. CA/TAX/0021/2019 (unreported).

415 Quoting High Court of Justice in England (Queen's Bench Division) [1899]: *R. v. Senior* (1899) 1 QB 283.

416 Quoting Court of Appeal of Sri Lanka [1951]: *Chellappah v. Commissioner of Income Tax*, 2 NLR 416, 418.

417 House of Lords of the United Kingdom [1969]: *Sweet v. Parsley* [1970] AC 132.

Accordingly, section 72 (“Act done by a person justified or by mistake of fact believing himself justified by law”) equally applies to every statutory offense even if its definition does not contain a particular state of mind or knowledge as one of its elements.

Section 72 of the Penal Code declares that: “Nothing is an offence which is done by any person who is justified by law, or who by reason of a mistake of fact and not by reason of a mistake of law in good faith believes himself to be justified by law in doing it.”

In ***Perera v. Munaweera***,<sup>418</sup> the Court of Appeal of Sri Lanka held that:

Where the definition of an offence contains words of absolute and unqualified prohibition, the prosecution need only establish beyond reasonable doubt the commission of the prohibited act, and it is not required in addition to establish that the accused acted with any specific intention or knowledge. But this does not mean that in such a case the accused is to be denied the right to plead any of the general exceptions set out in Chapter 4 of the [Penal] Code. The accused would therefore be entitled to an acquittal if he proved on a balance of probability that by reason of a mistake of fact, and not by reason of a mistake of law, he had in good faith believed himself to be doing something which was not prohibited by law. The accused must, of course, prove affirmatively the existence of each of these circumstances, and he will not be entitled to the benefit of Section 72 if he fails to do so, or merely leaves that issue in doubt.<sup>419</sup>

On that basis, the Court held that it was not open to the magistrate to convict the appellant without rejecting the appellant’s evidence that he believed in good faith, and by reason of a mistake of fact, that he was justified in law in charging 26 cents for a loaf of bread that he honestly, but erroneously, believed to be 16 ounces in weight.

Once the prosecution can establish the commission of the physical acts referred to in section 182 of the IP Act, the accused is entitled to raise the defense that they believed that it was not a false representation regarding a patent in the manner specified in section 182(1)(a)–(c). It is then open to the magistrate either to accept or reject that defense.

### 3.11.1.3 Unlawful disclosure of information relating to patents

Section 183 of the IP Act provides that:

Any person who being or having been employed in or at the office [i.e., the NIPO], 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 [LKR 500,000] or to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment.

As with section 182, section 183 does not mention a mental element concerning the acts referred to. The *mens rea* standard relevant to section 183 therefore requires that the accused who, being or having been employed in or at the NIPO, “knowingly or having reason to believe” unlawfully disclosed information relating to patents.

See section 3.11.1.2 above for more on the *mens rea* standard applicable to statutes that are otherwise silent in this respect.

418 Court of Appeal of Sri Lanka [1955]: *Perera v. Munaweera*, 56 NLR 433.

419 *Ibid.*, at 438.

#### **3.11.1.4 Abetting the commission of offenses abroad**

Section 196 of the IP Act additionally criminalizes abetting the commission of an act abroad that, if committed in Sri Lanka, would have been an offense under Part XI of the IP Act (which includes the aforementioned offenses).

#### **3.11.2 Defenses**

The following defenses are available in response to a criminal allegation of patent infringement or other offenses:

- noninfringement;
- use conducted under a license or other permission;
- no willful act;
- independent creation;
- the work at issue was in the public domain (e.g., the term of protection had expired);
- the statute of limitations has expired (i.e., the prosecution has been commenced later than three years after the commission of the offense or two years after its discovery by the prosecutor, whichever comes first); and
- absence of jurisdiction.

# Chapter 4 Copyright

## Part I Preliminary matters

### 4.1 Introduction

This chapter addresses the law relating to copyright, related rights and expressions of folklore, the conduct of such proceedings, enforcement of these rights and available remedies before the Commercial High Court in Sri Lanka. It also addresses the conduct of criminal proceedings and the enforcement of rights and remedies in the Magistrates' Courts of Sri Lanka.

The procedural aspects of adjudicating intellectual property (IP) actions and available remedies were addressed in [Chapter 1](#) of this volume; this chapter will provide cross-references to that chapter, where relevant.

A more general summary of the law of copyright is provided in Chapter 3 of *Introduction to the International Legal Framework for Intellectual Property*, the first volume in the series, which refers to relevant treaties but is not specific to Sri Lanka.

Select legislation and case law to which reference is made in this chapter is available on the WIPO Lex database.<sup>420</sup>

### 4.2 What is copyright in Sri Lanka?

Copyright encompasses a bundle of rights, including the rights to reproduce the work, to create derivative works, to distribute the work to the public, to perform it publicly and to broadcast or communicate protected works to the public.

Copyright provides legal protection that grants creators of original works exclusive rights during the period of protection, protecting these rights against unauthorized use while also safeguarding the legitimate interests of users.

Sri Lanka's Intellectual Property Act, No. 36 of 2003 (the IP Act), does not explicitly define copyright. It includes provisions for the protection of copyright, however, as it pertains to original intellectual creations in literary, artistic and scientific works. Derivative works are also recognized as protected intellectual creations.

The IP Act safeguards both the economic and moral rights of authors, and it includes provisions for the protection of related rights for performers, producers of sound recordings and broadcasting corporations. However, there are exceptions or limitations, such as fair use, which allow for limited use of copyrighted material without permission.

420 See [www.wipo.int/en/web/wipolex](http://www.wipo.int/en/web/wipolex).

The IP Act additionally provides protection for expressions of folklore, subject to certain limitations, and authorizes the Director-General of the National Intellectual Property Office (NIPO) to act as the competent authority in enforcing the associated rights.

The IP Act establishes and enforces the rights of copyright owners through a combination of civil, criminal and administrative mechanisms, creating a framework that protects creators and innovators from infringement while balancing the interests of users and the public.

While copyright owners can administer their rights individually, they may also administer their rights collectively by forming collective management organizations (CMOs), which act on their behalf in licensing the rights, collecting fees from users, monitoring use, and addressing issues of infringement and the enforcement of rights (see [section 4.9](#)).

The IP Act regulates the administration of CMOs by establishing a registration system and providing directions regarding the administration of rights, the application of fees collected and the distribution of royalties to copyright holders.

### 4.3 Sources of law

The primary sources that form the legal framework for copyright in Sri Lanka comprise statutes, regulations and judicial decisions. Sri Lanka has also joined a number of international treaties that address copyright.

For more on the sources of law applicable to IP generally, see [Chapter 1, section 1.3](#).

#### 4.3.1 Statutes

The law on copyright and related rights is governed by Part II of the IP Act.

The following statutes are also relevant to the application of copyright law in Sri Lanka.

The Civil Procedure Code (Chap. 101), as amended, governs procedure in the civil courts relating to copyright actions filed under the provisions of the IP Act.

The Code of Criminal Procedure Act, No. 15 of 1979, as amended, governs the procedure in criminal courts relating to the prosecution of offenses involving copyright and related rights under the provisions of the IP Act.

The Customs Ordinance (Chap. 235), as amended by the IP Act,<sup>421</sup> also applies to the enforcement of copyright and related rights by customs control.

The High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, grants the Commercial High Court civil jurisdiction in respect of copyright proceedings required under the IP Act.

The Judicature Act, No. 2 of 1978, as amended, provides for the establishment and constitution of the courts of first instance, defines their jurisdiction and regulates procedure.

421 [Intellectual Property Act, No. 36 of 2003 \(IP Act\)](#), ss. 206–207, amended s. 101 and Part XIII of the [Customs Ordinance \(Chap. 235\)](#) by inserting new sections immediately after s. 125 (ss. 125A–125B).

### 4.3.2 Regulations

Regulations made under section 204 of the IP Act and published in the *Gazette of the Democratic Socialist Republic of Sri Lanka* (the Gazette) also serve as an important source of law.

The following regulations are relevant to copyright law in Sri Lanka:

The Intellectual Property (Copyright and Related Rights) Regulations, No. 1 of 2005, published in Gazette Extraordinary No. 1415/18 dated October 19, 2005, made by the Minister of Trade, Commerce and Consumer Affairs under section 204 of the IP Act (the 2005 IP (Copyright) Regulations)

The Intellectual Property Regulations, No. 1 of 2011, published in Gazette Extraordinary No. 1687/28 dated January 5, 2010, made by the Minister of Industry and Commerce under section 204 of the IP Act, on minimum payments to lyricists, musicians and singers of a song by a broadcasting organization (the 2011 IP (Minimum Payments) Regulations)

The Intellectual Property (Songs and Musical Work) Regulations, No. 1 of 2019, as amended, published in Gazette Extraordinary No. 2128/6 dated June 17, 2019, made by the Minister of Science, Technology and Research under section 204 of the IP Act (the 2019 IP (Songs and Musical Work) Regulations)

The Intellectual Property (Songs and Musical Work) (Amendment) Regulations, published in Gazette Extraordinary No. 2164/70 dated February 28, 2020, which amended regulation 2(1) of the 2019 IP (Songs and Musical Work) Regulations.

### 4.3.3 Judicial decisions

Judicial decisions of Sri Lankan courts that interpret the provisions of the IP Act, the repealed Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) and related statutes are also important sources of law – particularly, judgments issued by the Supreme Court and the Court of Appeal that have binding precedential effect on lower courts.

Decisions from foreign jurisdictions that interpret principles of copyright law that are either identical or similar to those of Sri Lanka may also be influential.

See Chapter 1, section 1.3.4, for a more detailed discussion of the role of judicial decisions in Sri Lankan IP law.

### 4.3.4 International treaties

Sri Lanka is party to a number of international treaties that address copyright and related rights.

The Berne Convention for the Protection of Literary and Artistic Works (Berne Convention), administered by the World Intellectual Property Organization (WIPO), sets forth basic principles, including national treatment, automatic protection and independence of protection, and it provides minimum standards for copyright protection.

The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) addresses the availability, scope, acquisition, enforcement and prevention of the abuse of IP rights. Articles 9–14 address copyright and related rights. Articles 51–61 specifically address border measures with respect to pirated copyright goods and criminal procedures for copyright piracy on a commercial scale. Through Article 9.1, WTO members must comply with Articles 1–21, except for Article 6*bis*, and the Appendix to the 1971 Paris Act of the Berne Convention.

The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, also administered by WIPO, establishes a set of limitations and exceptions to traditional copyright law that aims to ease the production and international transfer of books specially adapted for people with blindness or visual impairments.

Sri Lanka follows a dualist system, which distinguishes between international and domestic law. International treaties do not automatically become part of binding domestic law upon ratification; to have effect in Sri Lanka, a treaty must be incorporated into domestic law by Parliament.

In some cases, Sri Lankan courts have referred to international treaties as interpretive aids where domestic law is ambiguous.

## 4.4 Requirements for copyright protection

### 4.4.1 Works eligible for protection

The IP Act recognizes two categories of works eligible for copyright protection:

- literary, artistic and scientific works (under section 6); and
- derivative works (under section 7).

#### 4.4.1.1 Literary, artistic and scientific works

Copyright law in Sri Lanka protects original intellectual creations in the literary, artistic and scientific domains.

Section 6(1) of the IP Act sets out 11 categories of works eligible for protection as literary, artistic or scientific works, including and especially—

- (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;
- (i) photographic works;
- (j) works of applied art;
- (k) illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

The term “work” is defined by section 5 of the IP Act as “any literary, artistic or scientific work referred to in section 6”.

Certain of the protected works referred to in section 6(1) are defined under section 5 of the Act:

“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 to being made audible;

[ ... ]

“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;

[ ... ]

“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’

[ ... ]

“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;

[ ... ]

#### 4.4.1.2 Derivative works

A derivative work is a new work based on, or a work derived from, one or more pre-existing copyrighted works, such as a translation, adaptation, arrangement or other transformation or modification of the copyrighted work.

Section 7(1) of the IP Act protects two categories of derivative 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.

Section 7(2) provides that “[t]he protection of any work referred to in [section 7(1)] is without prejudice to any protection of a pre-existing work incorporated in, or utilized for the making of such a work”.

The copyright in a derivative work extends only to the material contributed by the author of such work; it does not extend to incorporated elements of the original work. The author of the original work retains the copyright, which remains unchanged in scope, duration, ownership or subsistence.<sup>422</sup>

The creator of a derivative work must respect the original copyright – that is, they must be granted the permission of the owner of the copyright in the original work before basing a creation upon it (see section 4.6.2.1). Such authorization may involve a licensing agreement that specifies the terms under which the derivative work can be created, used and distributed (see section 4.6.5).

Any person who creates a derivative work based on a pre-existing work without permission cannot claim copyright protection for the derivative work.<sup>423</sup>

#### 4.4.1.3 Exclusions from protection

Section 8 of the IP Act expressly excludes certain work from copyright protection – namely:

- (a) ...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) ...any official text of a legislative, administrative or legal nature, as well as any official translation thereof;
- (c) ...news of the day published, broadcast, or publicly communicated by any other means.

422 See, e.g., Supreme Court of the United States [1990]: *Stewart v. Abend*, 495 U.S. 207, 223–4; 17 U.S.C. §103(b).

423 See, e.g., U.S. District Court for the Central District of California [1989]: *Anderson v. Stallone*, 11 U.S.P.Q. 2d 1161.

#### 4.4.2 Conditions for protection

To be eligible for copyright protection, the following requirements must be satisfied:

- the protected work requirement;
- the authorship requirement; and
- the originality requirement, which includes issues of:
  - expression;
  - creativity; and
  - intellectual creation.

Works that satisfy these requirements entitle the author to legally recognized and enforceable rights during the applicable term of protection.

##### 4.4.2.1 Protected work

The work must fall within the categories of protected copyright works set out in section 6 of the IP Act (authors' works) or section 7 (derivative works).

##### 4.4.2.2 Human authorship

The concept of "authorship" is central to copyright law in Sri Lanka.

In copyright law, the author is the original creator of a work and is entitled to certain exclusive rights over the protected works they created. The author of the protected work should be clearly identifiable to secure the rights afforded under copyright law.

Section 5 of the IP Act defines "author" as "the physical person who has created the work". A "physical person" is to be understood as an individual human being and not a nonhuman legal person, such as a corporation or organization, company, partnership, unincorporated association or trust, all of which can have legal personhood rights and responsibilities similar to those of a physical person. Such legal persons cannot be considered physical persons or authors, for the purpose of copyright law.

To qualify as a work of "authorship" and be the subject of copyright protection in Sri Lanka, the work must be the result of human authorship – that is, it must be an original work created by a human being or a group of human beings, as opposed to a nonhuman legal person, which may later acquire rights to the work.

##### 4.4.2.2.1 Human authorship and artificial intelligence

The question of whether the autonomous creations of artificial intelligence (AI) are works of authorship and, if so, to whom (or what) authorship of such works should be attributed has so far not been decided in Sri Lanka.

Courts in the United States, for example, have held that:

- copyright protection cannot be granted to anyone when there is no active human contribution to the creation of the work;
- to qualify as a work of "authorship", a work must be created by a human being; and
- the works produced by a machine or mere mechanical process that operates randomly or automatically, with no creative input or intervention from a human author, will not attract copyright protection.<sup>424</sup>

<sup>424</sup> U.S. Court of Appeals for the Ninth Circuit [2018]: *Naruto v. Slater*, Case No. 16-15469 (unreported); U.S. District Court for the District of Columbia [2023]: *Thaler v. Perlmutter*, 687 F. Supp. 3d 140, *aff'd* U.S. Court of Appeals for the District of Columbia Circuit [2025]: *Thaler v. Perlmutter*, Case No. 23-5233 (unreported).

Under current copyright law in Sri Lanka, a machine, in this context, cannot be an author, since authorship is reserved for a physical person who creates a work of their own genius or intellect. The IP Act defines authors as physical persons (humans) only and hence authorship in works autonomously created by machines, including those hosting AI, cannot be attributed to those machines.

The IP Act does not, however, make any specific provisions for computer-generated works – an omission indicating that the author of a computer-generated work is the person who made the arrangements necessary for its creation.

Further, the Sri Lankan courts have not yet considered whether a person who creates a work with the assistance of generative AI tools can be considered its human author and hence whether such a work is eligible for copyright protection, as well as what level of human input (e.g., prompts) or intervention would be required.

#### **4.4.2.3 Originality, expression, intellectual creation and minimal degree of creativity in copyright protection**

Originality, expression, intellectual creation and minimal degree of creativity are distinct concepts that play a significant role in determining authorship and copyright protection.

##### **4.4.2.3.1 Originality**

To qualify for copyright protection, a work must be original.

Originality is a statutory requirement in Sri Lanka found in section 6(1) of the IP Act and it is a cornerstone of copyright law. Copyright protection is afforded only to “*original* intellectual creations in the literary, artistic, and scientific domain” (emphasis added).

Originality does not signify novelty or uniqueness but that the work must originate from the author’s own effort. In other words, the work must be the result not of copying but of the author’s own independent activity (see section 4.4.2.3.3) and it must possess at least some minimal degree of creativity (see section 4.4.2.3.4).<sup>425</sup>

A work may be original even when it closely resembles other works, however, as long as that similarity is not the result of copying.<sup>426</sup>

Originality should be interpreted in the context of the human authorship requirement (see section 4.4.2.2). It is satisfied when a human author independently creates an original expressive work (see below) that reflects at least a minimal degree of creativity.

##### **4.4.2.3.2 Expression**

Copyright is limited to those expressive aspects of a work that display the stamp of the author’s originality.<sup>427</sup>

Copyright, globally, protects the specific expression of ideas rather than the ideas themselves. For example, Article 9.2 of the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), to which Sri Lanka is a party, specifies that “[c]opyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such”.

An idea that is merely in someone’s head and has not been expressed as a literary, dramatic, musical or artistic work is not eligible for copyright protection.<sup>428</sup>

<sup>425</sup> Supreme Court of the United States [1991]: *Feist Publications Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345.

<sup>426</sup> *Ibid.*, 346.

<sup>427</sup> *Ibid.*, 351.

<sup>428</sup> House of Lords of the United Kingdom [2000]: *Designer’s Guild v. Russell Williams (Textiles) Ltd* [2000] UKHL 58.

This idea-expression dichotomy has been statutorily recognized in Sri Lanka in section 8(a) of the IP Act, which expressly excludes from protection “any idea, procedure, system, method of operation, concept, principle, discovery or mere data, even if expressed, described, explained, illustrated or embodied in a work”.

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The concept of “originality” in copyright law was highlighted by the High Court of Justice in England (Chancery Division) in **University of London Press Ltd v. University of Tutorial Press Ltd**.<sup>429</sup>

1. The word “original” does not mean that the work must be the expression of original or inventive thought.
2. Copyright acts are not concerned with the originality of ideas but with the original expression of thought and, in the case of literary works, with the expression of thought in print or writing.
3. The originality that is required relates to the expression of the thought. This does not mean that the expression must be in an original or novel form but that the work must not be copied from another work and that it should originate from the author.

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In **Wijesinghe Mahanamahewa and another v. Austin Canter**,<sup>430</sup> the Court of Appeal of Sri Lanka held that the concept of originality relates to the expression of thought and that expression need not be in original or novel form; the only requirement is that the work must not be copied from another work — that is, that it must originate from the author.

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In **Vasantha Obeysekera v. Anthony Christopher Alles**,<sup>431</sup> the Court of Appeal of Sri Lanka linked the requirement of originality to the author’s creative mind.

The Court held as follows:

1. Copyright law, in its wisdom, has not sanctioned any and every literary, artistic and/ or scientific work to be declared as protected work but only such literary, artistic and scientific works as are original.
2. Copyright protection is granted provided that the work is original and the originality required relates only to the expression of thought.
3. Copyright law does not require that the expression must be in original or novel form but that the work must not be copied from another work.<sup>432</sup>

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In **Fernando v. Gamlath**,<sup>433</sup> the Supreme Court of Sri Lanka took the same view and, referring to the originality test laid down by the English High Court of Justice (Chancery Division) in **University of London Press v. University Tutorial Press**,<sup>434</sup> stated as follows:

1. The word “original” does not mean that the work must be the expression of original or inventive thought.
2. Copyright law is not concerned with the originality of ideas but with the expression of thought.
3. It does not require that the expression be in an original or novel form but that the work must not be copied from another work and should originate from the author.

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429 High Court of Justice in England (Chancery Division) [1916]: *University of London Press Ltd v. University of Tutorial Press Ltd* [1916] 2 Ch 601, 608–9.

430 Court of Appeal of Sri Lanka [1986]: *Wijesinghe Mahanamahewa and another v. Austin Canter* [1986] 2 Sri LR 154.

431 Court of Appeal of Sri Lanka [2000]: *Vasantha Obeysekera v. Anthony Christopher Alles*, CA No. 730/92(F) (unreported), p. 10.

432 *Ibid.*, pp. 11–12.

433 Supreme Court of Sri Lanka [2011]: *Fernando v. Gamlath* [2011] 1 Sri LR 273.

434 High Court of Justice in England (Chancery Division) [1916]: *University of London Press v. University Tutorial Press* [1916] 2 Ch 601.

#### 4.4.2.3.3 Intellectual creation

Intellectual creation (or independent creativity) refers to the requirement that a work must be the result of a certain level of original creative thought or mental effort if it is to be eligible for copyright protection.

Intellectual creativity is a statutory requirement found in section 6(1) of the IP Act, under which copyright protection is afforded only to “original *intellectual creations* in the literary, artistic, and scientific domain” (emphasis added).

This principle combines with that of originality (see [section 4.4.2.3.1](#)) to require that the author put forth their own intellectual effort and creativity – that is, that they must have created the work independently and not copied from another source.

The plain meaning of “original intellectual creation” in section 6 of the IP Act suggests that a copyright-eligible work results from a combination of skill, effort and judgment on the part of the author. Case law in other jurisdictions has established that such exercise of skill, judgment and labor must not be so trivial that it could be characterized as a purely mechanical exercise.<sup>435</sup>

The exercise of skill, labor and judgment merely in the process of copying from another’s work, such as by mechanical or automatic means, cannot confer originality and it is the author’s creative expression only that is protected by copyright (see [section 4.4.2.3.2](#)).

#### 4.4.2.3.4 Minimal degree of creativity

To qualify for copyright protection in Sri Lanka, a work must also be the result of some minimal degree of creativity.

The minimal degree of creativity requirement is embedded in section 6(1) of the IP Act, which affords copyright protection only to “original *intellectual creations* in the literary, artistic, and scientific domain” (emphasis added).

This has been interpreted to mean that copyright protection is available to original creative expressions arising from intellectual efforts that an author invests in a work, along with at least a minimal degree of creativity.<sup>436</sup> This does not mean the work has to be novel, unique or nonobvious – concepts more properly associated with patent law (see [Chapter 3](#)) than copyright law; rather, it means that a work should possess some unique creative element(s) or expression(s) arising from an author’s skill, labor and judgment that distinguish it from other works.

The threshold for creativity is, however, low: even a small amount of creativity in the expression of an idea is sufficient, but the work must exhibit more than a mere mechanical or routine process.<sup>437</sup>

Likewise, creativity should not be confused with quality. Section 6(2) of the IP Act states that copyrightable works are “protected by the sole fact of their creation and irrespective of their mode or form of expression, as well as their content, quality and purpose”.

#### 4.4.2.4 Originality, etc. in derivative works

The concepts of originality, expression, intellectual creation and minimal degree of creativity also play a significant role in determining the protection of derivative works.

For a definition of derivative works, see [section 4.4.1.2](#).

The originality requirement of section 6(1) of the IP Act, which protects only “original intellectual creations” (see [section 4.4.2.3.1](#)), applies equally to derivative works.

<sup>435</sup> See, e.g., Supreme Court of Canada [2004]: *CCH Canadian Ltd v. Law Society of Upper Canada* [2004] 1 SCR 339.

<sup>436</sup> See, e.g., Supreme Court of the United States [1991]: *Feist Publications Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340; Court of Appeal of Sri Lanka [2000]: *Vasantha Obeysekera v. Anthony Christopher Alles*, CA No. 730/92(F) (unreported).

<sup>437</sup> Supreme Court of the United States [1991]: *Feist Publications Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340.

The derivative work must display some originality that distinguishes it from the pre-existing work. It cannot be a mechanical or habitual repetition of or variation on the existing work on which it is based. A derivative work must be substantially different from the underlying work to be copyrightable. In other words, it must be at least some substantial variation of – not merely a minor or uncreative variation of, or minor changes or modifications to – the existing work.<sup>438</sup>

To satisfy the requirement in copyright law that a work be “original”, a derivative work must contain sufficient new expressions over and above those that are embodied in the earlier work.<sup>439</sup>

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In *L. Lionel Halwathura and others v. Sirisumana Godage*,<sup>440</sup> the Commercial High Court in Colombo considered the legal principles that apply to the copyright in pre-existing and derivative works.

The Court laid down the following principles:

1. Because any derivative work is protected without prejudice to any protection of a pre-existing work incorporated in or utilized for the making of such a work under section 7(2) of the IP Act, the work created on the basis of a pre-existing work should acquire a separate copyright distinct from the copyright of that pre-existing work.
2. A derivative work based on a previous work is copyrightable if, but only if, the derivative work meets the originality requirement. Copyright in a derivative work subsists only in original work, which means that, to be protected by copyright, a work must have originated from the author.
3. To acquire copyright protection, there must be at least some substantial variation, not merely a trivial variation, such as might occur in translation to a different medium.
4. A derivative work must be substantially different from the underlying work to be copyrightable.
5. The originality requirement for derivative works is no more demanding than the originality requirement for other works and the key inquiry is whether there is sufficient nontrivial expressive variation in the derivative work to make it distinguishable from the underlying work in some meaningful way.
6. There are, however, three key limitations to copyright protection for derivative works, as follows:
  - (a) The first limitation seems to be the requirement of consent and therefore an author who creates a derivative work based on pre-existing work without permission cannot claim copyright protection in the derivative work.
  - (b) The second limitation is that the copyright in a derivative work extends only to the new work (e.g., adapted, revised or modified new works) added by the creator of the derivative work, which implies no exclusive right in the pre-existing material that is employed in the work.
  - (c) The third limitation is that the copyright in a derivative work does not extend to trivial variation, but it does extend to nontrivial substantive variations and the original derivative work of the author.
7. The copyright in a derivative work does not affect or enlarge the scope, duration, ownership or subsistence of any copyright protection in the pre-existing material.
8. The plaintiffs in the present case could not claim exclusive rights to the pre-existing work but copyright protection to the new work added by them as derivative works in the book in question, irrespective of the fact that the exclusive right in the pre-existing material belongs to the publisher of the pre-existing work.

Applying these standards, the key inquiry is whether the plaintiffs in such a case have made an original intellectual contribution or creation in the context of the pre-existing work by making a substantial, not merely a trivial, variation to (i.e., modifying, revising or transforming) the pre-existing work.

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438 U.S. Court of Appeals for the Second Circuit [1976]: *L. Batlin Son, Inc. v. Snyder*, 536 F.2d 486, 491; U.S. Court of Appeals for the Seventh Circuit [1983]: *Gracen v. Bradford Exchange*, 698 F.2d 300, 305.

439 *Ibid.*

440 High Court of the Western Province of Sri Lanka [2016]: *L. Lionel Halwathura and others v. Sirisumana Godage*, Case No. HC/Civil/60/2006(3) (unreported).

## 4.5 Obtaining copyright protection

Works are protected automatically upon creation, as required by Article 6(2) of the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention), to which Sri Lanka is a party.

Under section 6(2) of the IP Act, the works specified in section 6(1) are “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”. The subsistence of copyright in Sri Lanka therefore does not depend on formalities such as their registration, fixation or publication.

### 4.5.1 Registration

Sri Lanka does not maintain a copyright register, because there is no requirement for registration under the IP Act.

### 4.5.2 Fixation

Fixation – that is, reducing a work to a tangible (physical or digital) medium of expression – was formerly a prerequisite for copyright protection. The IP Act does not require fixation and expressly affords protection for oral works under section 6(1)(b).

Further, section 6(2) of the IP Act states that literary, artistic or scientific works are “protected by the sole fact of their creation *irrespective of their mode or form of expression*” (emphasis added).

Such expression can therefore take many forms and includes works that have been spoken or sung, without being reduced to a material form.

### 4.5.3 Publication

Section 5 of the IP Act defines the term “published” as meaning:

- ... 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 ownership or the possession of the copies; or
  - (b) which has been made available to the public through 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...

Under section 6(2) of the Act, the works specified in section 6(1) are protected by the sole fact of their creation regardless of whether they have been published (see [section 4.5.2](#) above).

Publication is therefore not necessary for copyright protection in Sri Lanka. Copyright protection is automatically granted to original works of Sri Lankan nationals or those who have habitual residence in Sri Lanka as soon as they are created.

Works are also protected in Sri Lanka in accordance with any international convention or international agreement to which Sri Lanka is a party – including the Berne Convention, which requires that the works of authors who are nationals of one of the countries of the Union be protected regardless of whether or not they have been published.<sup>441</sup>

Under section 26(1)(b), works first published in Sri Lanka and those first published in another country and subsequently published within 30 days in Sri Lanka are also protected, irrespective of the nationality or residence of the author. This has implications for the availability of protection for pirated copies of works first published outside of Sri Lanka and not entitled to protection under an international agreement or convention to which Sri Lanka is a party.

441 [IP Act](#), s. 26(1)(a); [IP Act](#), s. 26(2), read together with s. 6(2).

## 4.6 Rights conferred

### 4.6.1 Authorship and ownership

Sri Lanka recognizes distinct concepts of authorship and ownership, each of which attracts particular rights.

#### 4.6.1.1 Authorship

The concept of authorship is central to copyright law.

The author is entitled to certain exclusive rights over the protected works they have created.

Moreover, authorship is a status and cannot be modified contractually: an agreement between parties cannot confer authorship on someone who was not, in law, the author.

The term “author” is defined in section 5 of the IP Act as “the physical person who has created the work”. (See [section 4.4.2.2](#) for more on the requirement that this authorship be human.)

A person who merely contributed ideas, information or suggestions and who did not contribute to the expression of the work is not an author.

Authorship is presumed, unless proven otherwise, in two different situations.

1. Under section 15(1) of the IP Act, “[t]he 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”.

This presumption of authorship arises “even if the name is a pseudonym, where the pseudonym leaves no doubt as to the identity of the author”.

2. Under section 15(2), “[t]he 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”.

Anyone who disputes or challenges either presumption carries the burden of proving that the name associated with the work is not that of the true author (category 1) or producer (category 2).

#### 4.6.1.1.1 Simultaneous independent creation

If two persons independently create similar works, each without knowledge of the other’s creation, each person’s work may be eligible for copyright protection and each person may be identified as their work’s author, provided that each work meets the conditions for protection.

#### 4.6.1.2 Ownership

Ownership of copyright is also central to copyright – that is, in resolving copyright disputes.

Ownership flows from authorship.

In a copyright dispute, determining ownership of copyright involves considering factors such as authorship, employer–employee relationship, contracts (e.g., work-for-hire agreements) and assignments of rights.

The ownership of copyright is considered separately under the IP Act in relation to economic rights (section 14 of the Act) and moral rights (section 10).

### 4.6.2 Economic and moral rights

Copyright law grants economic and moral rights to copyright owners.

#### 4.6.2.1 Economic rights

Economic rights protect the monetary interests of the owner of the copyright and give the owner the exclusive right to authorize or prohibit certain uses of their work.

Section 5 of the IP Act defines economic rights only as “the rights referred to in section 9” of the Act.

Section 9(1), in turn, affords the owner of the copyright in a protected work “the exclusive right to carry out or to authorize to carry out the following acts in relation to the work” – namely:

- (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... ;
- (g) public display of the original or a copy of the work;
- (h) public performance of the work;
- [omission of (i) original]
- (j) broadcasting of the work; and
- (k) other communication to the public of the work.

Since the section identifies these rights as “exclusive” to the copyright owner, no one else may carry out these acts without the owner’s prior permission.

Section 9(2) provides that these economic rights “apply to both the entire work and a substantial part thereof”.

Under section 9(3), however, rental rights do “not apply to rental of computer programs where the program itself is not the essential object of the rental”.

Section 14 of the IP Act relates to the original ownership of economic rights and is largely dependent upon authorship.

Section 14(1) provides that the author who created the work is the original owner or the first owner of economic rights, except in circumstances subsequently set out at section 14(2)–(5).

- **Work of joint authorship** Under section 14(2), any co-authors are the joint original owners of economic rights. If, however, a work of joint authorship consists of parts that can be used separately and an individual author of each part can be identified, the author of each part is the original owner of the economic rights in respect of that part which they have created.
- **Collective work** Under section 14(3), “[i]n respect of a collective work, the physical person or the 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”.
- **Work created by an author employed by the physical person or legal entity in the course of their employment** Under section 14(4), if the work was created by an author employed by a physical person or legal entity in the course of their employment, the original owner of the economic rights is that employer, unless otherwise provided in a contract.
- **Work created under a commission** Also under section 14(4), if a work has been commissioned, then the original owner of economic rights is the person who commissioned the work, unless otherwise provided in a contract.
- **Audiovisual works** Under section 14(5), the original owner of the economic rights in an audiovisual work is the producer, unless otherwise provided in a contract.

In *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*,<sup>442</sup> the plaintiff, a musical performer going by the stage name Athula Silva, decided to produce an audio album and commissioned popular music director Siril Perera to compose several songs – including that entitled “Hituwakkari Numba Nam Sondura” – for Silva’s sole use.

The music director acknowledged in writing that the musical composition and tune of the song were created for Silva’s sole use and benefit.

Silva also commissioned popular lyricist Kelum Srimal Perera to compose the lyrics for several songs on the album, including “Hituwakkari Numba Nam Sondura”, for Silva’s sole and exclusive use.

Kelum Srimal Perera composed the lyrics for the musical tunes, audio compositions and recording composed by music director Siril Perera, and acknowledged in writing that the lyrics had been composed for the sole and exclusive use by, and benefit of, Silva. In doing so, the lyricist did not, however, use words such as “transfer”, “assignment”, “grant”, “gift” or “copyright”, nor did the document include any obligation to make payment of any consideration in money or money’s worth in return for the making of the lyrics.

Silva was the producer of the sound recordings of the song.

The defendant, Priyantha Kannangara, produced, marketed and distributed an audio album titled *Super Friends Live Musical Concert 3*, which – without Silva’s prior authorization – contained the song “Hituwakkari Numba Nam Sondura”, performed by a group of musical performers.

Kannangara claimed that the song’s lyricist (Kelum Srimal Perera) and musical director (Siril Perera) had duly authorized, in writing, the recording of their song with fresh music for inclusion in *Super Friends Live Musical Concert 3* and that they asserted ownership.

The main issues before the Commercial High Court were:

1. whether Silva had, in writing, commissioned Siril Perera to compose musical tunes and compositions, and Kelum Srimal Perera to compose lyrics, of the song “Hituwakkari Numba Nam Sondura”, under section 14 of the IP Act; and
2. if not, whether the lyricist and the composer had duly authorized the defendant to record the song with fresh music for inclusion on the audio album *Super Friends Live Musical Concert 3*.

On the standard of commissioned work, the Commercial High Court held as follows:

1. The word “commission” means more than a simple request; a bare request is insufficient to constitute a commission within the meaning of section 14(4) of the Act. The question of how much more than this is required cannot be answered with clarity, and the question of whether an obligation to pay money or money’s worth is an absolute requirement or if other consideration can be substituted depends on the precise circumstances of the case.
2. Services to be rendered, property other than money, future royalties or the grantee’s obligation to acknowledge and publicize the grantor’s contributions, as well as any other benefit, may be sufficient to constitute a commission within the meaning of section 14(4).
3. The transfer of copyright can also take place by way of a voluntary grant or a free gift, without any valuable consideration changing hands.
4. The question of whether a transaction is an assignment, a voluntary grant, a free gift or a license can be answered only when the true intention of the owner of the copyright is apparent from the circumstances and the written documents involved.
5. In the present case, the composer of the lyrics had granted a voluntary grant or a free gift to the plaintiff and had transferred all of his economic rights in the lyrics to the plaintiff.
6. Although words such as “transfer”, “assignment”, “grant”, “gift” or “copyright” were not used in the document, it was apparent, from a true construction of the document in question, that the lyricist intended to transfer his copyright to the plaintiff by way of a voluntary grant or a free gift in writing, signed by him, without any payment, solely and

442 High Court of the Western Province of Sri Lanka [2019]: *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*, Case No. HC/Civil/07/2010/IP (unreported).

- exclusively for the use by the plaintiff and for the plaintiff's economic benefit.
7. The musical director had composed the musical tunes and compositions only as a commissioned work for the plaintiff and for the plaintiff's future economic benefits; the lyricist had composed the lyrics of the song as a commission for the plaintiff and for the plaintiff's future benefit.
  8. The plaintiff thus became the copyright owner in respect of the musical tunes, compositions and lyrics under sections 9 and 14 of the IP Act. The plaintiff was also the producer of the sound recordings of the songs included on the album and was vested with the exclusive right in respect of the sound recordings protected under section 18 of the IP Act.
  9. The copyright of the music composition and lyrics of the song therefore vested with the plaintiff, and neither the musical director nor the lyricist had further economic rights in the song "Hituwakkari Numba Nam Sondura" to be given to Priyantha Kannangara by documentary means.
  10. Accordingly, the defendant had violated the plaintiff's economic rights in the tune, compositions, sound recording and lyrics of the song "Hituwakkari Numba Nam Sondura".

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In ***Associated Newspapers of Ceylon Ltd v. Pituwana Liyanage Shantha Chandraguptha Amarasinghe***,<sup>443</sup> the Supreme Court of Sri Lanka was invited to decide issues related to authorship, ownership and the fair use defense in respect of photographs taken by a photographer and published in a newspaper without his consent.

Before the Commercial High Court, the plaintiff alleged that the publication of his photographs by the defendant newspaper group in its newspapers *Dinamina* and the *Daily News* without his consent or knowledge was a violation of his economic rights and moral rights to the photographs. When the photographs were taken, the plaintiff was in the employment of the defendant's *Aththa* newspaper. The defendant admitted that the plaintiff took the photographs and that the defendant published them in said newspapers.

The defendant, *inter alia*, claimed ownership in the photos, which it contended were created by the plaintiff during his employment.

Section 17(3) of the then-applicable Code of Intellectual Property Act, No. 52 of 1979 (the IP Code) – now section 14(4) of the IP Act – stated that, "in the absence of contractual provisions to the contrary, the work created by an author in the course of his employment under a contract of service shall be deemed to be transferred to the employer". At the trial, however, the defendant failed to produce or request introduction into evidence of the contract between the plaintiff and the *Aththa* newspaper.

The Commercial High Court held, *inter alia*, that the photographs in question were taken by the plaintiff during communal violence.

The plaintiff was the author and owner of the photographs, and the defendant violated the plaintiff's economic and moral rights by publishing the photographs in other of its newspapers without permission.

The Court further rejected the defendant's fair use defense on the basis that, at the time of publication of the photographs, they were not of current political events.

On appeal, the main issues that related to authorship and ownership before the Supreme Court were whether:

- the plaintiff took the photographs for personal interest or investigation;
- the plaintiff took the photographs during or outside of working hours;
- the plaintiff took the photographs in furtherance of a work assignment and professional objectives; and
- the defendant was entitled to rely on the fair use defense under section 13(b) of the IP Code.

443 Supreme Court of Sri Lanka [2012]: *Associated Newspapers of Ceylon Ltd v. Pituwana Liyanage Shantha Chandraguptha Amarasinghe* [2013] 1 Sri LR 290.

The Court held as follows:

1. The defendant's failure to produce or introduce into evidence the contract between the plaintiff and its *Aththa* newspaper precluded the trial court from determining whether the section 17(3) presumption was met.
2. The plaintiff took the photographs for his own personal interest or investigation with his own camera and film, at risk to his own personal safety.
3. The plaintiff had not taken the photographs in furtherance of a work assignment for the defendant.
4. The photographic works were owned exclusively by the plaintiff, who, being the author and the first copyright owner in his photographs, as the evidence transpired, had never transferred his ownership and thus continued to retain ownership of the photographs.

See section 4.6.3.1 for further discussion of the fair use defense.

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The presumption of authorship, ownership and a commissioned work also arose for consideration before the Commercial High Court in ***Pituwara Liyanage Shantha Chandragupthe Amarasinghe v. New Uthayan Publication (Pvt) Ltd.***<sup>444</sup>

The plaintiff prayed for a declaration that the defendant's publication in its *Uthayan* newspaper of the photographs the plaintiff had taken during the communal riots in July 1983 violated his economic rights, as guaranteed by section 9 of the IP Act, and his moral rights, as guaranteed by section 10 of the IP Act.

The plaintiff stated that while he was working for *Ravaya* newspaper in July 1997, he consented to its publication of the photographs on July 27, 1997, in connection with the 14<sup>th</sup> anniversary of the 1983 riots, as well as several other photographs he had taken at the Borella junction.

While admitting to having published the photographs in its *Uthayan* newspaper, the defendant denied the plaintiff's authorship of the works in question and stated that it was therefore under no legal obligation to obtain his consent.

The Commercial High Court held as follows:

1. The photographs in question were first published with the plaintiff's consent in the *Ravaya* newspaper on July 27, 1997, and no person other than the plaintiff had since claimed authorship of the photographs or filed an action against him or *Ravaya* asserting ownership.
  2. The evidence revealed that the plaintiff was in possession of the negatives of the photographs and the enlarged prints, and that he had preserved the negatives for a period of 17 years without any alteration.
  3. The defendant did not present any evidence with which to counter the plaintiff's evidence, such as that the photographs had been taken by another photographer.
  4. The presumption established under section 14(4) of the IP Act is that, in the absence of contractual provisions to the contrary, the work created by an author during the course of their employment or the work created pursuant to a commission belongs to the employer or to the person who commissioned the work.
  5. The defendant did not impeach the plaintiff's evidence that he had no written contract with a newspaper and worked as a freelance journalist/photographer. The defendant failed to produce any evidence that the plaintiff had taken the photographs in question during the course of employment or pursuant to a commission.
  6. The photographs in question were therefore exclusively owned by the plaintiff, who had never transferred ownership to any other person.
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<sup>444</sup> High Court of the Western Province of Sri Lanka [2018]: *Pituwara Liyanage Shantha Chandragupthe Amarasinghe v. New Uthayan Publication (Pvt) Ltd.*, Case No. HC/Civil/23/2013/IP (unreported).

#### 4.6.2.2 Moral rights

Moral rights protect the noneconomic interests of the author of the copyright. “Moral rights” refers collectively to several rights that belong to the author of a work that are concerned the author’s relationship with its creation rather than its commercial value.

Section 5 of the IP Act defines “moral rights” only as those “rights referred to in section 10” of the IP Act.

Section 10(1) of the Act entitles an author to the moral 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) ...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 that would be prejudicial to his honor or reputation.

Moral rights are additional to and independent of economic rights, and they are generally recognized as inalienable (see section 4.6.4.2). Section 10(1) of the IP Act provides that authors own and enjoy moral rights in their works even when they no longer own the economic rights in their works.

Under section 10(3), an author may waive any of the moral rights set out in section 10(1), “provided that such waiver is in writing and clearly specifies the right or rights waived and the circumstances to which the waiver applies”.

If any waiver of the rights “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 the moral rights have devolved shall have the right to waive the said moral rights”.<sup>445</sup>

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The Supreme Court of Sri Lanka interpreted the moral rights legal framework established in copyright law in **Director, Department of Fisheries and Aquatic Resources and three others v. C. Aloy Fernando and five others**.<sup>446</sup>

The Court confirmed that:

1. the authors of a book retained their moral rights despite transferring economic rights in their work; and
2. the authors were entitled to be attributed on both the original work and translations lawfully created by the holder of economic rights.

The Court also found that minor errors in the published book did not constitute mutilation or distortion of the work within the meaning of Sri Lankan copyright law (i.e., what is now section 10(1)(c) of the IP Act).

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#### 4.6.3 Limitations and exceptions

To maintain an appropriate balance between the interests of copyright owners and users of protected works, copyright law provides for certain limitations and exceptions to economic rights. These allow the protected works to be used without the right owner’s authorization, with or without payment of compensation.

<sup>445</sup> IP Act, s. 10(3), proviso.

<sup>446</sup> Supreme Court of Sri Lanka [2018]: *Director, Department of Fisheries and Aquatic Resources and three others v. C. Aloy Fernando and five others*, Case No. SC/CHC/Appeal/30/2006, 2 Cabral’s IPLR 1010.

#### 4.6.3.1 Fair use

The most significant exception to the economic rights associated with copyright is fair use, addressed in sections 11 and 12 of the IP Act.

- Section 11 first provides the general rule applicable to fair use determinations.
- Section 12 then identifies those acts that are statutorily deemed to be fair use.

##### 4.6.3.1.1 General rule

Section 11 of the IP Act provides the statutory framework for determining whether a given use is a fair use. It also provides examples of the purposes for which a use (usually, reproduction) may be undertaken to qualify as fair use.

Section 11(1) of the Act states:

Notwithstanding the provisions of [section 9(1)], 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.

The words “such as” are evidence that the statutory sentence provides a nonexhaustive list of examples of permissible purposes and hence general guidance to the types of other purpose that may qualify as fair use.

Section 11(2) of the Act sets forth a four-factor balancing test that courts should use in determining whether the use made of a work in any particular case is fair – namely, whether:

- (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.

This four-factor test requires a case-by-case analysis rather than bright-line rules.

The four statutory factors should initially be assessed individually, then weighed and balanced together, in light of the purposes of copyright.

##### 4.6.3.1.2 Acts of fair use

Section 12 of the IP Act specifies certain acts that are statutorily deemed fair use – namely:

- private reproduction of a published work in a single copy (section 12(1));
- reproduction in the form of a quotation of a short part of a published work (section 12(3));
- reproduction of a work for teaching purposes (section 12(4)(a)–(b));
- reproduction of a work by libraries and archives (section 12(5)(a)–(b));
- reproduction, broadcasting or other communication to the public of certain works for the purpose of reporting current events, current affairs and current information (section 12(6)(a)–(c));
- reproduction of a single copy or adaptation of a lawfully obtained computer program when needed for:
  - use with a computer for the purpose and to the extent for which it was obtained; or
  - archival or replacement purposes (section 12(7)(a));
- importation of a copy of a work by a physical person for their own personal purposes (section 12(8));
- public display, except by means of a film, slide, television or otherwise on screen, of a work that has been published, sold or transferred to another (section 12(9));

- performance or display of a work for educational or teaching purposes by government or nonprofit educational institutions in classrooms or similar places set aside for education (section 12(10)(a));
- 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 (section 12(10)(b)); and
- reproduction, adaptation or issuance of copies of any work in an accessible format by any authorized entity to facilitate access to the work by beneficiary persons (section 12A).<sup>447</sup>

Under section 5 of the IP Act, as amended:

“beneficiary person” means any person who-

- (a) is blind;
- (b) has a visual impairment or a perceptual or reading disability ... and is unable to read printed works to substantially the same degree as a person without any such impairment or disability; or
- (c) is otherwise unable, through physical disability to hold or manipulate a book or to focus or move eyes that is acceptable for reading.<sup>448</sup>

Each of these acts of fair use is subject to certain qualifications and conditions specified in sections 12 and 12A.

Like the general rule under section 11(1) of the IP Act (see [section 4.6.3.1.1](#)), the list is nonexhaustive and offers general guidance.

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The Supreme Court considered the fair use defense in ***Associated Newspapers of Ceylon Ltd v. Pituwana Liyanage Shantha Chandraguptha Amarasinghe***,<sup>449</sup> where the defendant justified the publication of photographs documenting a current political event by relying on the fair use defense under section 13 and 13(b) of the then-applicable IP Code (now sections 11 and 12(6) of the IP Act).

The Commercial High Court rejected the fair use defense on the following two grounds:

1. Section 13(b) of the IP Code dealt with any *article* published in newspapers or periodicals on current economic, political or religious topics. It did not speak of the *photographs* in any article published.
2. The fair use defense under section 13(b) required the source of the publication to be indicated, but the defendant neither attributed the photographs nor provided any evidence of their source.

Thus, the Court held, the defendant could not seek refuge under sections 13 and 13(b) of the IP Code.

On appeal, the Supreme Court affirmed the lower court’s decision and held as follows:

1. Section 13(b) of the IP Code (now section 11(6) of the IP Act) was unavailable to the defendant for the simple reason that, at the time of the defendant’s publication of the photographs in 1999, the communal riots of 1983 were no longer current political events.
2. The legislative intent of section 13(b) was clearly to allow for the dissemination of information surrounding actual transpired events, not to serve as a loophole for the use of material in subsequent news cycles of an initial event.
3. The defendant had failed to acknowledge the source of the photographs, as required under section 13(b).

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<sup>447</sup> Inserted by the Intellectual Property (Amendment) Act, No. 8 of 2021 (2021 IP (Amendment) Act), s. 3. Section 2(1) of the same amending Act inserts into section 5 of the IP Act a definition of “accessible format” as a copy of a work in an alternative form or manner that allows a beneficiary person to access it as feasibly and comfortably as can those who are not so disabled.

<sup>448</sup> Inserted by the 2021 IP (Amendment) Act, s. 2(2).

<sup>449</sup> Supreme Court of Sri Lanka [2012]: *Associated Newspapers of Ceylon Ltd v. Pituwana Liyanage Shantha Chandraguptha Amarasinghe* [2013] 1 Sri LR 290.

In the Commercial High Court case of *Pituwara Liyanage Shantha Chandragupthe Amarasinghe v. New Uthayan Publication (Pvt) Ltd*,<sup>450</sup> the defendant, *inter alia*, claimed that publication of the photographs at issue came within the purview of the fair use exception in sections 11 and 12(6) of the IP Act for the following reasons:

1. The article in question had been published on the anniversary of Black July, and coverage of that anniversary was a critical part of the “comment” and “news” aspect of the newspaper in question.
2. Black July is one of the most unfortunate historical events for Sri Lanka in the post-independence era; as such, the publication of an article commemorating it was in the public interest and not commercial.
3. The article was educational, in the sense that the younger generation would not have direct memory of Black July.
4. Very small images of the photographs had been used only to complement the text, not to sell the newspaper.
5. Images of Black July are central to the story, and the value of education and information was better served with images.

Rejecting the fair use defense, the Court stated as follows:

1. The section 12(6) exemption was not available to the defendant because, at the time of the publication of the photographs in 2011, the communal riots of 1983 were no longer current political events and they were very well known to the public.
2. The defendant could not plead the section 12(6) exemption since its reproduction of the photographs in the newspaper did not attribute the source and name the plaintiff as their author.

#### 4.6.3.2 Exhaustion and parallel imports

Section 9(1)(d) of the IP Act grants copyright owners the exclusive economic right to “the public distribution of the original and each copy of the work by sale, rental, export or otherwise”.

Section 9(4) of the IP Act nevertheless recognizes the first sale doctrine, also known as the exhaustion doctrine, and states that:

Notwithstanding the provisions of [section 9(1)(d)], 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.

The first sale doctrine recognizes that once the copyright owner has sold a work or a copy of a work, their control over that copy is exhausted: they cannot subsequently object to acts of resale or other disposal of such a copy by its new lawful owner. In other words, the exhaustion doctrine allows the owner of a legally acquired copy of a copyrighted work to sell, lend or otherwise dispose of that copy without the copyright owner’s permission.

The exhaustion doctrine can take the form of national or international exhaustion.

- National exhaustion extinguishes the copyright owner’s distribution right only after the owner has placed the goods for sale on the domestic market.
- International exhaustion takes place when the copyright owner has placed the goods for sale anywhere in the world.

Parallel imports, also known as grey market goods, are genuine products legally manufactured that the original manufacturer or authorized distributor did not intend for sale in the country into which they have been imported and in which they are being sold through unauthorized channels.

<sup>450</sup> High Court of the Western Province of Sri Lanka [2018]: *Pituwara Liyanage Shantha Chandragupthe Amarasinghe v. New Uthayan Publication (Pvt) Ltd*, Case No. HC/Civil/23/2013/IP (unreported).

Parallel imports are permitted in countries that adopt an international exhaustion regime, but they violate the rights of the copyright owner in countries that have adopted a national exhaustion regime.

The effect of section 9(1)(f) of the IP Act, which grants the copyright owner the exclusive right to “importation of copies of the work[] (even where the imported copies were made with the authorization of the owner of the copyright)”, is to apply a national exhaustion regime to copyright in Sri Lanka.

The copyright owner is therefore entitled under section 9(1)(f) to prevent others from importing into Sri Lanka copies of their work lawfully purchased abroad, even if those copies were made with the owner’s authorization.

This means that parallel imports of copyrighted works are not permitted in Sri Lanka, subject to an exception for imports for personal use (as opposed to resale for commercial purposes) under section 12(8) of the Act: “Notwithstanding the provisions of [section 9(1)(f)], 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 the copyright.”

#### 4.6.3.3 Compulsory or government use licenses

The IP Act does not provide for compulsory or government use licensing of copyrighted works.

#### 4.6.4 Assignment or transfer

An assignment is the transfer of ownership to another person who becomes the new owner so that, after the transfer, the original owner is excluded from using the property unless the new owner gives the original owner a license (see [section 4.6.5](#)).

##### 4.6.4.1 Assignment of economic rights

Section 16(1)(b) of the IP Act authorizes the owners of economic rights to “assign or transfer in whole or any part of the economic rights referred to in section 9”. This means that there may be multiple owners of the same or different rights in the same work.

Section 16(2) deals with the procedure for the assignment of economic rights: “Any assignment or transfer of an economic right ... shall be in writing and signed by the assignor and the assignee”.

Under section 16(3), any assignment of economic rights “shall not include or be deemed to include” any rights other than those expressly referred to therein.

Because an assignment is an agreement between the parties, the general terms of contract law apply in addition to the relevant provisions of the IP Act.

In addition, when an assignment is made by execution of a testamentary disposition (i.e., the late owner’s will), the law applicable to inheritance also applies to the assignment.

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Copyright assignment through testamentary disposition and the associated proof required to demonstrate such assignment was considered by the Commercial High Court of Sri Lanka in ***Ramadasa Vidanalage Sheela Wijewardena and another v. Annesley Malawana***.<sup>451</sup>

The plaintiffs – the widow and the daughter of the late Clarence Wijewardena, singer, composer and musician – instituted action against the defendant, seeking a declaration that they were entitled to the economic and moral rights in the lyrics, music composition and/or melodies of 27 of Clarence Wijewardena’s songs.

451 High Court of the Western Province of Sri Lanka [2015]: *Ramadasa Vidanalage Sheela Wijewardena and another v. Annesley Malawana*, Case No. HC/Civil/34/2010/IP (unreported).

It was common ground that the musician had, in his last will and testament, bequeathed all his property to the second plaintiff, his daughter.

Dismissing the action, the Commercial High Court held as follows:

1. During his lifetime, the musician had transferred the rights of several of his songs to third parties, including several songs listed in the plaint, for a valuable consideration by written agreements.
2. If a considerable number of the songs left with him had remained unsold at the time of executing his last will, the late musician would have mentioned them in the last will. He did not.
3. The second plaintiff failed to prove that the late Clarence Wijewardena was the copyright holder in the lyrics, music composition and/or melodies of all 27 songs at the time of his death, such that they would have passed to her by means of the testamentary disposition.
4. The second plaintiff failed to adduce evidence and satisfy that the defendant was distorting, modifying or doing other derogatory action that would be prejudicial to the reputation of the late Clarence Wijewardena in relation to songs proven to have been transferred to third parties, in violation of her moral rights.

#### 4.6.4.2 Transfer of moral rights

Moral rights cannot be assigned. Section 10(2) of the IP Act states that moral rights are not transmissible during the lifetime of the author. The author can transfer their moral rights only by testamentary disposition or by operation of law.

The author's successor may exercise the author's moral rights only after the author's death.

The Supreme Court of Sri Lanka has confirmed that moral rights cannot be transferred and remain with the original author even following the assignment of economic rights.

In ***Director, Department of Fisheries and Aquatic Resources and three others v. C. Aloy Fernando and five others***,<sup>452</sup> the Supreme Court found that the authors of a book who had transferred their economic rights could nevertheless assert their moral rights of attribution for both the original work and translations authored by others.

According to section 10(3), however, an author can waive their moral rights if they do so in writing, specifying the right(s) waived and the circumstances in which the waiver applies.

#### 4.6.5 Licensing

A license is a permission granted to another person to exercise one or more of the owner's exclusive economic rights over a copyright protected work. It allows the right owner to retain ownership of the copyright while allowing others to, for example, make copies, distribute, download, broadcast, webcast, simulcast, podcast or make derivative works, usually in exchange for payment.

Section 16(1)(a) of the IP Act authorizes owners of economic rights to grant a license to someone to carry out all or any of the acts relating to the economic rights referred to in section 9.

Under section 16(3), however, the licensee is not entitled to assign or sublicense their interests if the licensor retains the right to grant licenses to others.

Section 16(2) deals with the procedure for the licensing of economic rights – namely, any license of an economic right must be in writing and signed by both the licensor and the licensee, and it shall not include any rights other than those expressly referred to.

<sup>452</sup> Supreme Court of Sri Lanka [2018]: *Director, Department of Fisheries and Aquatic Resources and three others v. C. Aloy Fernando and five others*, Case No. SC/CHC/Appeal/30/2006, 2 Cabral's IPLR 1010.

Because a license is an agreement between the parties, the general terms of contract law apply in addition to the relevant provisions of the IP Act.

There are two different types of license, as follows:

- **Exclusive license** An exclusive license grants the licensee the sole right to use the owner's economic rights in the manner specified in the license agreement. Exclusive licenses may be restricted to a specified territory, for a certain period or for limited purposes, or they may be contingent on the licensee's satisfaction of certain performance requirements. The copyright owner cannot exercise their economic rights in the same way as the licensee or grant the same rights to anyone else during the term of an exclusive license.
- **Nonexclusive license** A nonexclusive license not only allows the licensee to exercise the owner's economic rights as specified in the license agreement but also allows the copyright owner to continue to use their own economic rights and to grant additional licenses to others. There is no limit to the number of individuals a copyright owner can allow to use, copy or distribute their work under nonexclusive licenses.

#### 4.6.6 Duration of rights

Section 13 of the IP Act addresses the term of protection for copyright.

Under section 13(1), economic and moral rights are generally protected during the author's lifetime and for a further period of 70 years from the date of the author's death.

The term of protection for economic and moral rights does, however, vary according to the type of work, as follows:

- **Works of joint authorship** Under section 13(2) of the Act, both economic and moral rights are protected during the life of the last surviving author of a work of joint authorship and for a further period of 70 years from the date of the last author's death.
- **Collective works (other than a work of applied art) and audiovisual works** Under section 13(3), both economic and moral rights in collective works (other than works of applied art) and audiovisual works are protected for 70 years from the date on which the work was first published or, failing publication, for 70 years of the date on which the work was made.
- **Anonymous or pseudonymous works** Under section 13(4), both economic and moral rights are protected for 70 years from the date on which an anonymous or pseudonymous work was first published. If the author's identity is revealed or is no longer in doubt before the expiration of this period, the term of protection for both economic and moral rights will then be:
  - if authorship is individual, during the lifetime of the author and for a further period of 70 years from the date of their death (section 13(1)); or
  - if authorship is joint, during the lifetime of the last surviving author and for a further period of 70 years from the date of their death (section 13(2)).
- **Works of applied art** Under section 13(5), both economic and moral rights are protected for 25 years from the date of the making of a work of applied art.

## 4.7 Protection of related rights

While copyright protects the works of authors, related rights are rights granted to certain categories of person in recognition of their important role in communicating and disseminating certain types of work to the public.

Also known as neighboring rights, related rights are granted to those people who contribute to the creation, communication or dissemination of copyright works to the public, or who make certain productions that involve creativity, contributions, technical advancements or organizational skills.

There are three kinds of related right that are protected in Sri Lanka:

- the rights of **performers** (i.e., actors, musicians, singers, dancers or generally people who perform) in their performances;
- the rights of **producers of sound recordings** (also called phonograms) in their recordings; and
- the rights of **broadcasting organizations** in their radio and television programs, and in their Internet broadcasts, such as podcasts.

#### 4.7.1 Rights conferred

The IP Act confers several rights on performers, producers of sound recordings and broadcasting organizations.

##### 4.7.1.1 Rights of performers

Section 5 of the IP Act defines “performers” as “singers, musicians, and other persons who sing, deliver, declaim, play in, or otherwise perform, literary or artistic works or expressions of folklore”.

Under section 17(1) of the Act, a performer has exclusive rights to:

...carry out or to authorize any of the following acts:—

- (a) the broadcasting or other communication to the public of his performance or a substantial part thereof...
- (b) the fixation of his unfixed performance or a substantial part thereof;
- (c) the reproduction of a fixation of his performance or a substantial part thereof.

Section 17(2) provides that these three categories of performers’ rights cease to exist with respect to a performance once the performer has authorized the incorporation of their performance in an audiovisual fixation.

Under section 17(1)(a), however, the rights of broadcasting and other communication to the public do not apply:

...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...

Under section 5:

“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...

[ ... ]

“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”...

Section 17(3) provides, however, that performers may negotiate and enter into contracts on terms and conditions that are more favorable with respect to their performances than the minimum rights mandated by the IP Act.

Section 17(4) provides that the rights of performers are protected from the moment the performance takes place until the end of the 50<sup>th</sup> calendar year following the year in which the performance takes place.

#### 4.7.1.2 Rights of producers of sound recordings

A “producer” of an audiovisual work or a sound recording is defined in section 5 of the IP Act as “the physical person or legal entity that undertakes the initiative and responsibility for the making of the audiovisual work or sound recording”.

A “sound recording” is defined in the same section of the IP Act as:

... 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...

The definition of “sound recording” expressly excludes fixation of sounds and images, such as the sounds incorporated in an audiovisual work (e.g. music videos, films with music, TV shows with sounds, and YouTube videos with sounds, music and visuals). These are only audiovisual works and not sound recordings eligible for related rights protection.

Although a Sri Lankan court has yet to address whether the rights of sound recording producers extend to digitally fixed sounds, the phrase “regardless of the method by which the sounds are fixed or the medium in which the sounds are embodied” makes it clear that both physical (cassette, CD) and nonphysical formats, such as digital files (e.g., MP3, WAV) stored on drives, phones and cloud servers, are included.

Under section 18(1):

...a producer of a sound recording shall have the exclusive right to carry out or 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.

“Reproduction” is defined in section 5 of the IP Act as “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”. A material form includes any form in which a work is fixed or embodied, making it perceivable, storable or reproducible.

The definition of “reproduction” is broad enough to include uploading and downloading of digital files. Depending upon the technology, streaming may or may not implicate the reproduction right.<sup>453</sup>

453 Streaming may also implicate the economic rights of copyright owners, including the rights of reproduction, public distribution and public performance. See [section 4.6.2.1](#).

Section 18(2) of the IP Act provides that the rights of producers of sound recordings are protected from the date of publication of the sound recording until the end of the 50<sup>th</sup> 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 50<sup>th</sup> calendar year following the year of fixation.

#### 4.7.1.3 Rights of broadcasting organizations

A broadcasting organization is not defined in the IP Act.

Section 5 of the Act defines the verb “broadcasting” to mean “the communication of a work, a performance, or a sound recording to the public by wireless transmission, including transmission by satellite”, but it does not define the noun “broadcast”.

Section 20(1) of the IP Act gives a broadcasting organization the exclusive right to carry out or to authorize any of the following acts:

- (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.

Section 20(2) of the IP Act provides that the rights of broadcasting organizations are protected from the moment the broadcasting takes place until the end of the 50<sup>th</sup> calendar year following the year in which the broadcast takes place.

#### 4.7.1.4 Equitable remuneration for use of sound recordings

Section 19(1) of the IP Act grants a special “right to equitable remuneration” to performers and the producers of sound recordings where a sound recording is published for commercial purposes, or where a reproduction of such a sound recording is used directly for broadcasting or other forms of communication to the public or is publicly performed.

Under section 19(1), unless the performer and the producer agree otherwise, the producer should pay half of the sum they receive to any performer.

Under section 19(3), this right to an equitable remuneration subsists from the date of publication of the sound recording until the end of the 50<sup>th</sup> calendar year following that year or, if the sound recording has not been published, from the date of fixation of the sound recording until the end of the 50<sup>th</sup> calendar year following that year.

#### 4.7.2 Limitations and exceptions

The rights of the performers, producers of sound recordings and broadcasting organizations are subject to the following limitations and exceptions under section 21 of the IP Act:

- (a) 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.

## 4.8 Protection of expressions of folklore

The IP Act provides a *sui generis* form of protection for expressions of folklore in section 24.

This protection for expressions of folklore derives from international model laws and provisions dating from the 1960s and the 1980s.

Since then, thinking around the relationship between IP and expressions of folklore, as well as the related subject of “traditional knowledge”, has evolved considerably and is clearer than it was at the time of drafting of the Sri Lankan legislation.

Nevertheless, the IP Act as it currently stands provides as follows in relation to expressions of folklore.

### 4.8.1 Works eligible for protection

Under section 5 of the IP Act, the phrase “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.

Expressions of folklore may also be indirectly protected if they form part of an original stage production, which is protected as a copyright work under section 6(1)(d).

Similarly, the rights of performers extend to performances of expressions of folklore, which grants another form of indirect protection to expressions of folklore.<sup>454</sup>

### 4.8.2 Ownership

Because folklore has traditionally been considered part of the common heritage of a community, reflecting shared cultural expressions that are collectively, rather than individually, owned by that community and which are passed from generation to generation, there is no exclusive “ownership” as such in terms of copyright law.

For this reason, the IP Act does not use the term “owner” with respect to expressions of folklore or otherwise address their ownership. Instead, section 24(4) of the Act provides that “a Competent authority to be determined by the Minister” has the right to authorize, subject to a prescribed fee, the use of expressions of folklore protected under the IP Act.

In essence, this authority manages and administers the rights but is not their “owner” as that term is usually understood.

The subsequently promulgated Intellectual Property Regulations, No. 1 of 2005, published in Gazette No. 1415/18 dated October 19, 2005 (the 2005 IP Regulations), identify this “Competent Authority” as the Director-General of NIPO and set out a form with which requests for such authorization should be made.<sup>455</sup>

The Director-General is to grant “appropriate” authorizations, subject to “appropriate” conditions, including the period of time, purpose and restrictions.<sup>456</sup>

<sup>454</sup> IP Act, ss. 5, 17.

<sup>455</sup> Intellectual Property Regulations, No. 1 of 2005, published in Gazette No. 1415/18 dated October 19, 2005 (the 2005 IP Regulations), reg. 4(1); IP Act, First Schedule, Form C02, inserted by the 2005 IP Regulations, Second Schedule.

<sup>456</sup> 2005 IP Regulations, reg. 4(3).

### 4.8.3 Rights conferred

Under section 24(1) of the IP Act, expressions of folklore are protected against:

- (a) reproduction;
- (b) communication to the public by performance, broadcasting, distribution by cable or other means;
- (c) adaptation, translation and other transformations, when such expressions are made either for commercial purposes or outside their traditional or customary context.

In addition, section 24(3) of the Act requires that the source of any expression of folklore must be properly attributed:

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 which the expression utilized has been derived.

### 4.8.4 Limitations and exceptions

Section 24(2) of the IP Act sets out certain limitations and exceptions to the protection afforded to expressions of folklore. It permits, without authorization or compensation:

- (a) the use by a physical person exclusively for his 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 authorization of the copyright owner [i.e., where such use is considered fair use].

### 4.8.5 Duration of rights

The term of protection for expressions of folklore is indefinite – that is, protection is not limited to a particular term.

## 4.9 Collective management of copyright and related rights

The collective management of copyright and related rights refers to a system whereby right holders, such as authors, composers and artists, authorize a collective management organization (CMO) to administer their rights. These organizations (sometimes referred to as collecting societies) manage the licensing of rights, the collection of royalties due and rights enforcement on behalf of authors and related rights holders.

In Sri Lanka, only a CMO registered and licensed by the Director-General of NIPO has the power to issue or grant licenses in respect of any right protected by copyright or related rights.<sup>457</sup>

Section 25 of the IP Act governs the collective management system in Sri Lanka. Referring to CMOs as “collective societies”, the section establishes that such bodies are to act in the interest of right holders, simplifying the management of rights while facilitating public access to protected works.

A registered and licensed collective society may:

- monitor the use of the works it has been authorized to administer;
- negotiate and issue licenses against appropriate remuneration based on a tariff system; and
- collect and distribute fees received among right owners, based on the actual use of their works.<sup>458</sup>

<sup>457</sup> IP Act, s. 25(1)(a)–(c).

<sup>458</sup> IP Act, s. 25(2)(c), (3)(b).

Participation by right owners in a collective society is voluntary. Moreover, under section 25(2)(a)(ii), right owners may withdraw their authorization to administer any specific right without prejudice to the rights of the society under any contract between the right owner and the society.

Section 25(3)(a) provides that every collective society is:

- ...subject to the collective control of the owners of the rights under this Part whose rights [the society] administer[s] in such a manner as may be prescribed to —
- (i) obtain the approval of owners of rights for its procedures of collection and distribution of fees;
  - (ii) obtain their approval for the utilization of any amount 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.

A Sri Lankan collective society may enter into agreements permitting a foreign society or organization to administer its rights abroad or permitting the Sri Lankan society to administer foreign rights in Sri Lanka.<sup>459</sup>

Collective societies must be registered and licensed by the Director-General, and ordinarily only one society may be registered to do business in Sri Lanka in respect of a specific class of rights.<sup>460</sup>

Each society is required to submit annual financial reports and performance reports to the Director-General.<sup>461</sup>

To ensure the proper functioning of the collective management system, the Director-General is empowered:

- to “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” lawfully;<sup>462</sup>
- upon holding an inquiry and finding a collective society acting to the detriment of its members (i.e., the rights owners on whose behalf it should be acting), to “cancel or suspend the registration of the society and the permission to commence or carry on the business” of issuing licenses;<sup>463</sup> or
- in the same circumstances, “by order [to] 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”;<sup>464</sup>

459 IP Act, s. 25(2)(b).

460 IP Act, s. 25(1)(b)–(c). See also 2005 IP Regulations.

461 2005 IP Regulations, reg. 5(8).

462 IP Act, s. 25(4)(b).

463 IP Act, s. 25(1)(d); 2005 IP Regulations, reg. 5(7).

464 IP Act, s. 25(1)(e).

## Part II Challenges to the validity of copyright

Copyright protection does not depend on formalities such as registration. Therefore, unlike industrial property rights such as trademarks (see [Chapter 2](#)) and patents (see [Chapter 3](#)), copyright is not subject to revocation or invalidation proceedings.

Challenges to the validity of copyright thus occur only within the context of infringement proceedings.

Where copyright, a related right or the rights in an expression of folklore have been infringed, the aggrieved right holder may pursue action administratively and judicially, through civil and criminal proceedings.

### 4.10 Copyright-specific considerations in administrative proceedings

Section 22(3) of the IP Act outlines the procedure whereby a person aggrieved of their copyright or related rights may initiate administrative proceedings before the Director-General of NIPO.

The 2005 IP Regulations include, as Form C-01 of their First Schedule, the form with which such a person may, under regulation 3(1), make an application to the Director-General for dispute resolution. Additional details regarding the scope, form, rules, remedies and potential outcomes of such a proceeding are outlined in the IP Act.

The administrative action is available as a cost-effective alternative or a precursor to a formal judicial inquiry.

See also [Chapter 1, section 1.8.1](#), for more on administrative proceedings under section 22(3) of the IP Act.

#### 4.10.1 Standing

Section 22(3)(a) of the IP Act provides that any person who is “aggrieved” by the infringement of any rights under Part II (which includes copyright and related rights) or is otherwise affected by such infringement is entitled to apply to the Director-General for administrative action:

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 [section 22(3)(b)].

This administrative action can be initiated by the owner of the rights or the owner’s duly appointed representative.

#### 4.10.2 Scope of inquiry

If the dispute is not resolved amicably beforehand, the matter will be fixed for a hearing, which may be perceived as a quasi-judicial inquiry.

Section 22(3) of the IP Act authorizes the Director-General to inquire into and decide upon a complaint submitted by an aggrieved party.

It authorizes the Director-General to decide questions relating to infringement, ownership of rights, contractual relationships, and the quantum and payment of royalties.

#### 4.10.3 Procedure

Regulation 3 of the 2005 IP Regulations sets out the procedure for administrative proceedings before the Director-General in instances of alleged rights infringement.

- (1) Every application by a person aggrieved by any of his rights being infringed (hereinafter referred to as the “applicant”) under [section 22(3)(a) of the IP Act] shall be made within a period of one month from the date on which the applicant becomes aware of the existence of the dispute to be resolved and such application shall be substantially in the form C 01 set out in the First Schedule hereto. Such application shall be signed by the applicant or his duly appointed Agent.

- (2) The application shall contain a clear and concise statement of the dispute to be resolved and evidence to substantiate the claims made by the applicant by way of an affidavit.
- (3) The application shall be made in duplicate.
- (4) Upon receipt of the application the Director General shall cause to be served a copy of such application on the person alleged to have infringed the rights (hereinafter referred to as the “alleged infringer”) with the request for his observations on the contents of the application.
- (5) The alleged infringer shall submit his observations within a period of one month from the date of receipt of the request of the Director-General.
- (6) The alleged infringer may forward his observations along with any evidence by way of an affidavit to counter the claims made by the applicant and substantiate his position with regard to the relevant dispute.
- (7) Upon receipt of the observations, the Director General shall, as expeditiously as possible, fix a date for hearing and inform the parties accordingly.
- (8) The evidence at the hearing shall, unless otherwise directed by the Director General, be submitted in the form of an affidavit and after submission of evidence the parties shall file written submissions, if any, simultaneously on a date given by the Director General.
- (9) The Director General shall make a decision in respect of the dispute and communicate his decision to the parties as [expeditiously] as possible, having considered the evidence and submission[s] made by the parties at the hearing.
- (10) Where the alleged infringer violates the provisions of paragraph (6) [i.e., to submit observations and evidence] or fails or neglects to appear before the Director General as directed, the Director General may make the order *ex parte*.

The Director-General's decision is binding on the parties to the dispute.

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In ***Methushanka Suduweli Kondage v. Charitha Rakshitha Attalage and Director-General of Intellectual Property***,<sup>465</sup> the Commercial High Court held that the Director-General, when adjudicating disputes, must comply with the laws of natural justice, which require that both parties be given a fair opportunity to present their case and challenge the evidence presented against them. This requires, *inter alia*, that parties be given the opportunity to cross-examine witnesses.

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#### 4.10.4 Remedies

Neither section 22(3) of the IP Act nor the 2005 IP Regulations expressly state the type of relief available to a successful applicant.

Because the scope of the inquiry relates to the infringement of copyright or related rights, remedies may include:

- an award of damages;
- an order restraining the respondent from committing or continuing the infringing acts;
- a decision on the ownership of rights;
- the assignment or licensing of rights;
- the payment of royalties; and/or
- a decision on the quantum of royalties.

#### 4.10.5 Appeal

Under section 22(3)(b) of the IP Act, any person aggrieved by the decision of the Director-General is entitled to make an appeal to the Commercial High Court. Unless the Court issues an interim order staying the operation of the decision of the Director-General, such decision remains in force until the case is decided.

<sup>465</sup> High Court of the Western Province of Sri Lanka [2024]: *Methushanka Suduweli Kondage v. Charitha Rakshitha Attalage and Director-General of Intellectual Property*, Case No. HC/Civil/01/23/IP (unreported).

In *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*,<sup>466</sup> the question arose whether a decision of the Director-General under section 22(3) of the IP Act and pursuant to the procedure set out in regulation 3 of the 2005 IP Regulations operates as *res judicata* between the parties in respect of a subsequently filed court action and, if so, whether the plaintiff could have and maintain the action as constituted.

The Director-General had held an inquiry under section 22(3), at the plaintiff's request, and had made a determination awarding to the plaintiff a sum of LKR 10,000 as costs.

The plaintiff instituted an action in the Commercial High Court against the defendant, praying, *inter alia*, for:

- a declaration that the defendant had violated his economic rights;
- an order requiring the defendant to account for profits; and
- an injunction.

The defendant averred that the plaintiff did not appeal the decision of the Director-General; the dispute had therefore been finally and conclusively determined, and it was *res judicata* between the parties.

Rejecting the defendant's position, the Commercial High Court held as follows:

1. The purpose of introducing section 22(3) of the IP Act was to provide a dispute resolution mechanism that would avoid escalating proceedings into a court of competent jurisdiction, as established by the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996.
2. The status of the Director-General under section 22(3) is equivalent to that of an arbitrator. The Director-General is not a court of competent jurisdiction.
3. There is no mechanism for the enforcement of the Director-General's decisions and hence any order that is passed by the Director-General cannot be regarded a decree passed by a competent court for the application of the principle of *res judicata*.

## 4.11 Copyright-specific considerations in civil judicial infringement proceedings

The term "infringement" is defined in section 5 of the IP Act as only "an act that violate[s] any right protected under this Part" – that is, Part II, which relates to copyright, related rights and expressions of folklore.

Accordingly, any use of a protected work that is among the exclusive rights of the right holder, undertaken without their permission, will constitute infringement, unless it falls within an exception.

### 4.11.1 Statutory basis

Civil judicial proceedings for copyright and related rights infringement may be initiated under the following statutory provisions.

- **Section 22(1) of the IP Act** Section 22(1) permits a claim for infringement or imminent infringement of a right protected under Part II of the IP Act (i.e., copyright and related rights).
- **Section 170(1) of the IP Act** Section 170(1) provides the basis for an infringement action to enforce any of the IP rights granted under the IP Act, including copyright and related rights.

See also [Chapter 1, section 1.9.1](#), for more on the statutory basis of civil judicial proceedings for IP rights infringement.

466 High Court of the Western Province of Sri Lanka [2019]: *Tikiriadura Sisira Ranjith Silva alias Athula Silva v. Priyantha Kannangara*, Case No. HC/Civil/07/2010/IP (unreported).

### 4.11.2 Standing

The following parties have standing to initiate a civil action alleging infringement of copyright or related rights:

- the owner(s) of copyright or related rights (i.e., the owners of the work or those who hold exclusive rights as a consequence of assignment, transfer or licensing);
- joint authors of a work if the infringement affects their joint rights;
- licensees (if a license grants the right to sue for infringement); and
- collective management organizations (CMOs), which manage rights on behalf of authors or related rights holders and which have been specifically authorized by the right owners.

See also [section 4.6.1](#) on authorship and ownership.

### 4.11.3 Elements of an infringement claim

#### 4.11.3.1 Copyright

##### 4.11.3.1.1 Economic rights

The plaintiff must prove the following elements in a civil action alleging the infringement of copyright.

- **Subsistence of copyright** Proving that copyright subsists in the work at issue in the action involves showing that the work is an original intellectual creation that is eligible for copyright protection (see [section 4.4.2.3](#)).
- **Ownership** The plaintiff must demonstrate that they are the lawful owner of the rights in the work. The owner is usually the author of the work.
- **Infringement** The plaintiff must show that the defendant has infringed, threatened to infringe or is likely to infringe the protected work by copying the entirety or a substantial part of the work.
- **Absence of authority** The plaintiff must prove that the allegedly infringing act was done without the right owner's consent or authority (i.e., without permission or a valid license contract).

**4.11.3.1.1.1 Causal connection** Infringement can be established either by direct evidence of copying or by showing that there is a "causal connection" between the infringing work and the original work.

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In *Vasantha Obeysekera v. Anthony Christopher Alles*,<sup>467</sup> the Court of Appeal of Sri Lanka referred to the causal connection and opined that the copyrighted work must be the source from which the infringing work was derived and that, for the infringement to have arisen, there must have been a chain of causation or a causal connection between the works of the plaintiff's work (a book called *Wilpattu Murder Case*) and the defendant's work (a film called *Dadayama*).

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This "causal connection" can be presumed if the plaintiff proves both that:

- the defendant had **access** to the protected work; and
- there is **substantial similarity** between the two works.

The plaintiff must show not that the defendant actually accessed the copyrighted work, but rather that the defendant had a reasonable opportunity to do so.

Access can be direct (e.g., the defendant admits seeing or using the work) or indirect (e.g., the work was widely available or distributed).

<sup>467</sup> Court of Appeal of Sri Lanka [2000]: *Vasantha Obeysekera v. Anthony Christopher Alles*, CA No. 730/92(F) (unreported).

If access is proven, the standard of similarity needed to infer copying may be lowered.

Substantial similarity refers to a degree of similarity between two works that indicates that one work is derived from or replicates another to a significant extent.

The concept of substantial similarity has been well developed by English courts, as follows:

- If the allegedly infringing work is different from the protected work, infringement may still have occurred if it contains a substantial part of the protected work.<sup>468</sup>
- Substantiality is assessed with respect to the infringed work rather than the work of the infringer. In other words, the question to be determined is whether the copied features were a substantial part of the infringed copyright work not of the allegedly infringing work.
- Where an identifiable part of the work, but not the whole work, has been copied, the question of whether the copied part infringes depends on the qualitative – rather than quantitative – importance of that part in relation to the protected work as a whole.<sup>469</sup>
- A court should therefore consider whether that part which was taken is novel or striking (substantial similarity) or is merely a commonplace arrangement of ordinary words or well-known data (no substantial similarity).<sup>470</sup>
- An incorrect result may be reached, however, if the court begins by dissecting the plaintiff's work and asking whether copyright would subsist in a particular section of it if it were to stand by itself. The court should instead first determine whether the plaintiff's work as a whole is "original" and protected by copyright, and only then should it inquire whether the part taken by the defendant is substantial.<sup>471</sup>

**4.11.3.1.2 Subconscious copying** Subconscious copying takes place when a person unknowingly copies elements of a pre-existing work and incorporates them into their own, believing that they created this work independently. Subconscious copying has been most frequently alleged with respect to musical works.

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In the U.S. case *Bright Tunes Music Corp. v. Harrisongs Music, Ltd.*<sup>472</sup> a federal district court found that George Harrison subconsciously copied the song "He's So Fine", recorded by The Chiffons, when he wrote his song "My Sweet Lord" on the basis of:

1. substantial similarity in melody and structure between the two songs; and
  2. George Harrison's presumed access to "He's So Fine" because of the song's commercial success and wide circulation.
- 

In England, infringement through subconscious copying can be shown if:

- there is **sufficient objective similarity** between the copyrighted work and the alleged infringing work; and
- there is a **causal connection** between the copyrighted work and the alleged infringing work.<sup>473</sup>

Once the two elements of sufficient objective similarity and causal connection are established, it is no defense that the defendant was unaware that what they were doing infringed the copyright in a pre-existing work.<sup>474</sup>

468 Court of Appeal of England and Wales [2007]: *Baigent v. Random House* [2007] EWCA Civ 247.

469 House of Lords of the United Kingdom [2000]: *Designer's Guild Ltd v. Russell Williams (Textiles) Ltd* [2000] UKHL 58.

470 House of Lords of the United Kingdom [1964]: *Ladbroke (Football) Ltd v. William Hill (Football) Ltd* (1964) 1 All ER 465, UKHL.

471 *Ibid.*

472 U.S. District Court for the Southern District of New York [1976]: *Bright Tunes Music Corp. v. Harrisongs Music, Ltd.*, 420 F. Supp. 177.

473 Court of Appeal of England and Wales [1963]: *Francis Day & Hunter Ltd and another v. Bron and another* [1963] Ch 587, [23].

474 *Ibid.*, [22]–[23].

The fact that the composer of the alleged infringing work believes or may have had reasonable grounds to believe that there is no such causal connection is irrelevant to copyright liability, although it may be relevant to the remedy.<sup>475</sup>

#### 4.11.3.1.3 Selected case law

In ***Wije S. Lokuge v. Malalgoda Banduthilake and M.D. Gunasena and Co. Ltd.***<sup>476</sup> the plaintiff, Lokuge, instituted an action seeking a declaration that:

- he was the author of an unpublished novel, “Diwa Viparyasaya”; and
- the defendant, Malalgoda Banduthilake, had violated the plaintiff’s copyright by subsequently publishing and selling a substantially similar book, *Chitra Mali*, under his own name.

Lokuge stated that he had given his manuscript, “Diwa Viparyasaya”, to Banduthilake for typing. Banduthilake returned a typed copy but not the manuscript. Lokuge later bought a copy of *Chitra Mali* and discovered that it was his book, with a different title, authorship and preface.

At trial, the judge entered judgment for Lokuge for copyright infringement and held as follows:

1. The evidence revealed Lokuge to be the author of an unpublished literary work entitled “Diwa Viparyasaya” and the published book *Chitra Mali*, said to have been written by Banduthilake, was substantially the same as “Diwa Viparyasaya”.
2. Banduthilake had never written *Chitra Mali*, or a historical novel, or any of the articles contributed by various persons. He was someone who arranged articles written by others and he had written only the foreword to one book.
3. Banduthilake’s witness, who stated that he had seen Banduthilake writing *Chitra Mali*, was not convincing.

At trial in the case that was subsequently appealed to the Court of Appeal of Sri Lanka as ***Wijesinghe Mahanamahewa and another v. Austin Canter***,<sup>477</sup> the plaintiff, Austin Canter, had formulated a system of Sinhala shorthand (the Cantei system) based on the Gregg system of shorthand, published in six works (XI–X6) between 1952 to 1964.

The first defendant, Wijesinghe Mahanamahewa, put forward a system of Sinhala shorthand (the Wijaya system) (Y1), also based on the Gregg system, which he published in 1967.

Although Mahanamahewa adapted the Gregg signs and a few signs used by Canter, Y1 did not merely consist of those signs only; it also contained a wealth of other information regarding the shorthand system.

Canter sued Mahanamahewa for infringement of copyright, arguing that the latter had substantially republished his shorthand system.

In their joint answer, Mahanamahewa and the second defendant admitted the authorship of Canter’s books (XI–X6). While denying any infringement of copyright, Mahanamahewa claimed that, after much research, he had independently evolved a system of shorthand based on the Gregg system.

The main issues in dispute were, *inter alia*, whether:

- Canter was the author of a Sinhala shorthand system based on the Gregg system;
- by publishing Y1, Mahanamahewa had infringed Canter’s copyright in that Sinhala shorthand system by reproducing and substantially publishing it;

<sup>475</sup> *Ibid.*, [23].

<sup>476</sup> District Court of Colombo, Sri Lanka [1967]: *Wije S. Lokuge v. Malalgoda Banduthilake alias Tunnihandi Banduthilleke and M.D. Gunasena and Co. Ltd.*, Case No. 1016/Z (unreported).

<sup>477</sup> Court of Appeal of Sri Lanka [1986]: *Wijesinghe Mahanamahewa and another v. Austin Canter* [1986] 2 Sri LR 154.

- the systems employed by Canter and Mahanamahewa had a common source in the English Gregg system; and
- Canter's Sinhala shorthand system was entitled in law to copyright.

The trial judge entered judgment for the plaintiff, Canter, as prayed for, having answered each question above in the affirmative.

Allowing the appeal, the Court of Appeal held as follows:

1. The question of whether a reproduction is substantial must be decided on the basis of its quality rather than its quantity. The reproduction of a part that, by itself, has no originality will not be a substantial part of the copyright and therefore will not be protected.
2. Mahanamahewa had adapted the entire Gregg system, which Canter too had copied from Gregg. These signs could not therefore form a substantial part of Canter's works, owing to their lack of originality.
3. The symbols used by Mahanamahewa that were similar to the symbols used by Canter were so few that they could not be said to form a substantial part of Canter's works.
4. Because Mahanamahewa had not reproduced a substantial part of Canter's works, there could not be any infringement of Canter's copyright.

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In ***Vasantha Obeysekera v. Anthony Christopher Alles***,<sup>478</sup> the plaintiff, Alles, was the public prosecutor in the Assizes and Counsel at the Court of Criminal Appeal in the well-known murder case of Adeline Vitharana – a case known as the Wilpattu murder. He published a book in English called *The Wilpattu Murder Case*. Alles alleged that the defendant, Obeysekera, director of a film entitled *Dadayama*, based on the Wilpattu murder, had infringed copyright in his book *The Wilpattu Murder Case*.

At trial, judgment was entered against the defendant director.

Obeysekera appealed to the Court of Appeal of Sri Lanka and claimed, *inter alia*, that:

- Alles had no copyright to the facts that had occurred, since such facts were not his creations;
- even though the facts of the film were based on the facts set out in the book, *The Wilpattu Murder Case*, the story of the film and its presentations were different from those of the book; and
- the reproduction of the facts surrounding the murder in the book published by Alles by itself had no originality.

Allowing the appeal, the Court of Appeal held as follows:

1. Before deciding whether there was infringement, the trial court should have first ascertained what legally protected right had been infringed.
2. Alles' book was a narrative of the events that culminated in the murder of Adeline Vitharane; the characters, the events and the sequences of those events were not the outcomes of his own intellectual creation.
3. Alles could not claim copyright protection with regard to the facts of a murder case and therefore his book could not be classified as an original literary work entitled to protection.
4. To establish infringement of copyright, the trial court should have compared the contents of the book and the script of the film to identify substantial similarities.
5. The test of infringement is an objective one and the question is whether, in fact, there has been copying and not whether the latter production derived from the earlier one.
6. Obeysekera had not made a substantial use of the features of Alles' books. The presentation of the facts in the film was different from the presentation of the facts in the book. The film had its own originality.
7. Even though the film *Dadayama* was based on Alles' book, Obeysekera had expressed and presented the facts in the film in his own form without reproducing Alles' book.

478 Court of Appeal of Sri Lanka [2000]: *Vasantha Obeysekera v. Anthony Christopher Alles*, CA No. 730/92(F) (unreported).

8. For the infringement to have arisen, there must have been a “chain of causation” between the works of Alles and Obeysekera; for the film to have constituted an infringement, there should have been a causal connection to the book.

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In ***Fernando v. Gamlath***,<sup>479</sup> the plaintiff was the widow of the late C.T. Fernando, who was the author of musical compositions for the song “Pin Sidu Wanne” and also its singer.

The plaintiff alleged that a song the defendant, Gamlath, had included in a teledrama and telecasted for commercial purposes infringed her IP rights. Gamlath, while denying the breach of Fernando’s rights, pleaded that he had taken the song incorporated in the teledrama from a textbook published by the Educational Publishing Department.

At trial, the judge held that C.T. Fernando had composed the said song and his widow had acquired the rights to it, but that Gamlath’s song incorporated in the teledrama did not infringe her rights.

Allowing the appeal, the Supreme Court held as follows:

1. When considering infringement of copyright, the courts need to look at the similarities between the works.
  2. An action for infringement of artistic copyright is very different: it is not concerned with the appearance of a defendant’s work but with its derivation.
  3. The copyright owner in this case did not complain that the defendant’s work resembled the original copyright work, yet her complaint was that the defendant had copied all or a substantial part of it.
  4. While the copied features must be a substantial part of the copyright work, they need not form a substantial part of the defendant’s work.
  5. The overall appearance of the defendant’s work may be very different from the copyright work. However, it did not follow in this case that Gamlath’s work did not infringe Fernando’s copyright.
  6. The first step in an action for infringement of artistic copyright is to identify those features of the defendant’s design that the plaintiff alleges have been copied from the copyright work.
  7. The inquiry is directed to the similarities rather than the differences – although this is not to say that the differences are unimportant. Difference may indicate an independent source and so rebut any inference of copying.
  8. In the present case, differences in the overall appearance of the two works resulting from the presence of features of the defendant’s work about which no complaint was made were not material.
  9. The late Mr. C.T. Fernando was entitled to rights under the then-applicable IP Code in respect of the composition of the song “Pin Sidu Wanne” and the plaintiff, his widow, had inherited such rights.
  10. The book published by the Educational Publishing Department, which the defendant claimed to have been the source material used for the song in his teledrama, contained only the lyrics to the song (to which the plaintiff claimed no copyright).
  11. Because the plaintiff had the rights for the musical composition, the defendant’s use of that composition without permission infringed her rights.
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In *Dharma S. Samaranayake v. Sarasavi Publishers (Pvt) Ltd*,<sup>480</sup> the plaintiff at trial, Samaranayake – a well-known journalist and editor of a weekly Sinhala newspaper, with an interest in local culinary methods – claimed to have authored a culinary skills book entitled *Galkissa hotalaye Publis Silvage Silvage hela ratawata iwum pihum*.

Samaranayake alleged that renowned chef Publis Silva was involved in the book in the following ways:

- Chapters 1–11 were compiled using material the editor gathered by means of interviews with Publis Silva, among others.
- Chapter 12 was developed with the active support of Publis Silva, who tested recipes.
- The title of the book reflected an understanding with Publis Silva.

Samaranayake contended that Publis Silva was not involved in chapters 14–16.

Samaranayake did not have a formal agreement with the publisher (Sarasavi) but received a sum of LKR 25,000, which she contended was an advance payment for the book’s first edition.

Although she alleged that Publis Silva could not and did not write any part of the book, the book was published identifying Publis Silva as its author.

Samaranayake filed suit against the defendant publisher, Sarasavi, for copyright infringement after subsequent editions of the book were published without her express or implied consent. She sought injunctive relief, royalties and compensation under section 170(10) of the IP Act.

Sarasavi claimed that Publis Silva was the book’s author and copyright owner, and that it had published the book based upon a publishing agreement with him. Samaranayake, Sarasavi alleged, was only the editor of the book and she had been paid fees for her editorial services at the request of Publis Silva.

At trial, the Commercial High Court entered judgment for Samaranayake and held that she was owner of the copyright in the book. The Court awarded statutory damages, and it granted a permanent injunction preventing Sarasavi from publishing, distributing, possessing and selling the book.

On appeal, the Supreme Court held as follows:

1. The title page of the book clearly and unequivocally notes, by means of the notation “©”, that the copyright of this book, as first published, belongs to Publis Silva.
2. Page 3 of the book and the “editor’s note” recognize and refer to Samaranayake as the “editor”; the “work”, as edited by Samaranayake, bestows the copyright of the book upon Publis Silva.
3. Samaranayake failed to name Publis Silva as a party to the action or to call Publis Silva, with whom she alleged she had an understanding, to establish her contention or to challenge Publis Silva for using the notation “©” in the work in dispute, which Samaranayake claimed as her creation. The burden lay with Samaranayake, as plaintiff, to establish that she was the author of the work in question, and that she entered into an agreement to assign and/or license the work to Sarasavi.
4. The Commercial High Court erred in holding Sarasavi responsible for presenting Publis Silva to establish its defense. The publishing company had no role to play in respect of the dispute between Samaranayake and Publis Silva over the authorship of and copyright in the book.
5. The significance of Samaranayake not calling Publis Silva as a party or a witness is greater than that of Sarasavi not calling him as a witness to rebut Samaranayake’s evidence, since the burden lies on the plaintiff to establish their case.
6. Section 14(3) and (4) of the IP Act clearly denote that, in the event the work is done or created “at the initiative, and under the direction, of” someone else or “in the course of employment” or “pursuant to a commission”, the person under whose direction or the employer or the person by whose commission the work was created shall be the original owner of the resulting economic rights.

480 Supreme Court of Sri Lanka [2023]: *Dharma S. Samaranayake v. Sarasavi Publishers (Pvt) Ltd*, Case No. SC/CHC/ Appeal/60/2013 (unreported).

7. Samaranayake categorically admitted that the work was created under Publis Silva's direction and that she herself had claimed, in the "editorial note", the role of "editor" and not "author" of the work. These two roles are not one and the same, in light of section 5, read together with section 14 and the presumption in section 15, of the Act.

#### 4.11.3.1.2 Moral rights

In an action for the infringement of moral rights, the plaintiff must prove that:

- the copyright subsists in a work protected by the Act;
- the plaintiff is the author of moral rights protected in the work or has a right to exercise such rights (e.g., under a testamentary disposition or by operation of law);
- the defendant has infringed, threatened to infringe or is likely to infringe the protected moral rights belonging to the author by committing any of the acts set out in violation of such rights; and
- the act was done without the copyright owner's consent or permission.

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In ***Fernando v. Gamlath***,<sup>481</sup> the Supreme Court of Sri Lanka, dealing with infringement of the plaintiff's moral rights, held as follows:

1. When considering moral rights, such as the right to object to the derogatory treatment of a work, the main issue to consider is whether evidence has been put forward to the court to support its finding that a distortion or mutilation of the work has occurred that has brought the author dishonor or disrepute.
2. In the absence of such proof of such distortion, the plaintiff's mere allegation that the defendant's musical composition was a distortion of the song "Pin Sidu Wanne", in which the plaintiff held moral rights, was insufficient to establish the infringement of those rights under the then-applicable IP Code.

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In ***Dharma S. Samaranayake v. Sarasavi Publishers (Pvt) Ltd***,<sup>482</sup> the Supreme Court further considered whether the plaintiff editor could claim moral rights under section 10 of the IP Act with respect to the book in question – specifically, against those of its author Publis Silva. (See section 4.11.3.1.1.3 for more on the facts of this case.)

The Court found that, as an editor of the work, the plaintiff was not entitled to the rights of an author and copyright holder, and thus she had no moral rights in the work.

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In ***Swarna Lakshmi Seneviratne and Kappina Degiri Chinthana Mendis Seneviratne v. Iraj Weeraratne and Maharaja Entertainment (Pvt) Ltd***,<sup>483</sup> the Commercial High Court considered the infringement of a lyricist's economic and moral rights.

The first and second plaintiffs, Swarna Lakshmi Seneviratne and Kappina Degiri Chinthana Mendis Seneviratne, instituted an action against the first defendant, Iraj Weeraratne, alleging that the latter had infringed their economic rights and moral rights in the song "Mata Alope Genadevi".

The second defendant, Maharaja Entertainment (Pvt) Ltd, was added to the action later.

The plaintiffs were the wife and son of the late Herbert M. Seneviratne, whom they claimed was the author of lyrics to the song "Mata Alope Genadevi". Upon the lyricist's death, his wife and son were the sole heirs to his IP rights in the song.

481 Supreme Court of Sri Lanka [2011]: *Fernando v. Gamlath* [2011] 1 Sri LR 273.

482 Supreme Court of Sri Lanka [2023]: *Dharma S. Samaranayake v. Sarasavi Publishers (Pvt) Ltd*, Case No. SC/CHC/ Appeal/60/2013 (unreported), LKSC.

483 High Court of the Western Province of Sri Lanka [2024]: *Swarna Lakshmi Seneviratne and Kappina Degiri Chinthana Mendis Seneviratne v. Iraj Weeraratne and Maharaja Entertainment (Pvt) Ltd*, Case No. HC/Civil/03/2013/IP (unreported).

The plaintiffs contended that Weeraratne, without their consent, had reproduced the song, distorted from its original form in a manner that they said harmed the reputation of the late Herbert M. Seneviratne.

Additionally, the plaintiffs claimed that Weeraratne had sold reproductions of the song to various telecom companies, performed it at musical shows and produced compact discs, all in violation of their (inherited) economic and moral rights.

Weeraratne pleaded that:

- the song “Mata Alope Genadevi” was a direct translation of a song from an Indian movie, *Mera Chota*, and
- he had received authorization to use the song from the holder of rights to the movie, Maharaja Entertainment.

Entering a judgment in the plaintiffs’ favor, the Commercial High Court held as follows:

1. The defendants had failed to provide any evidence demonstrating that the lyrics of the song “Mata Alope Genadevi” could be considered a direct translation of that from *Mera Chota*.
2. The late Herbert M. Senevirathne was the original author of the lyrics to the song “Mata Alope Genadevi”. Upon his death, the plaintiffs had inherited his copyright, and hence they held both the economic and moral rights to the lyrics of “Mata Alope Genadevi”.
3. The applicable test in a case such as this is whether all or a substantial part of the copyrighted work has been copied. If the entirety of the copyrighted work has been copied, it constitutes a clear case of infringement. If only part of the work has been copied, the issue becomes whether a substantial portion has been taken.
4. When determining what constitutes a “substantial portion”, the test is qualitative rather than quantitative. Consequently, even a small portion of the work may be considered substantial if that portion is deemed critically important. In the present case, the Court held, Weeraratne had indeed copied a substantial portion of the song.
5. Weeraratne’s song included only four lines of lyrics in Sinhala; the first and third lines had been copied from the original lyrics written by Herbert M. Senevirathne. Thus, some 50 percent of the first part of the song was copied: a substantial portion of the original lyrics. The defense of fair use was therefore unavailable to the defendant.
6. The allegedly derogatory elements in Weeraratne’s work, when considered alongside the lyrics of the original song, suggested that the English words incorporated in Weeraratne’s version reference violence and sex. For this reason, the derogatory words included in Weeraratne’s version of the song, which constituted the most prominent lyrics of the original work, could cause harm to the reputation of the original artist and his heirs.
7. Further, Weeraratne’s version diminished the aesthetic value and quality of the original lyrics and song, and consequently Weeraratne’s lyrics were said to have tarnished the reputation and honor of the late Herbert M. Senevirathne.

#### 4.11.3.1.3 Acts associated with illicit devices

Section 23(1) of the IP Act assimilates to infringement and makes actionable under section 22(1) certain activities associated with the manufacture or importing of devices to circumvent copy protection, copy management systems and encryption systems:

- (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 the reproduction of a work or to impair the quality of copies made ... ;
- (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.

Under section 23(3) of the Act, acts associated with illicit devices to circumvent copy protection, copy management systems and encryption systems are also considered unlawful acts and

assimilated to infringement of the rights of the copyright owner when enforcing rights under section 22(1) of the IP Act.

Section 23(3) of the IP Act entitles the owner of a copyrighted work to damages for infringement under section 22 for abuse of technological protection measures 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.

The acts specified in section 23(1) and (3) amount to an infringement of the rights of the copyright owner and can lead to a civil action for infringement under section 22(1) of the Act, attracting remedies such as injunctions and damages.

#### 4.11.3.2 Related rights

In an action for the infringement of the related rights of **performers**, the plaintiff must prove that:

- the performance is protected by the rights relating to performers;
- the plaintiff is the owner of the protected performers' rights;
- the defendant has infringed, threatened to infringe or is likely to infringe the plaintiff's exclusive related rights by committing any of the acts in violation of those rights (see section 4.7.1.1); and
- the act was done without the right owner's permission or authority.

In an action for the infringement of the related rights of **producers of sound recordings**, the plaintiff must prove that:

- the sound recording is protected by the rights relating to producers of sound recordings;
- the plaintiff is the owner of the protected rights of producers of sound recordings;
- the defendant has infringed, threatened to infringe or is likely to infringe the plaintiff's exclusive related rights by committing any of the acts in violation of those rights (see section 4.7.1.2); and
- the act was done without the right owner's permission or authority.

In an action for the infringement of the rights of **broadcasting organizations**, the plaintiff must prove that:

- the broadcasting is protected by the rights relating to broadcasting organizations;
- the plaintiff is the owner of the protected rights of the broadcasting organization;
- the defendant has infringed, threatened to infringe or is likely to infringe the plaintiff's exclusive related rights by committing any of the acts in violation of those rights (see section 4.7.1.3); and
- the act was done without the right owner's permission or authority.

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In *Star India (Pvt) Ltd v. Lanka Cable and Satellite Broadcasting Network (Pvt) Ltd*,<sup>484</sup> the plaintiff, Star India (Pvt) Ltd (a leading entertainment and media company in India), owned various television channels. It had the exclusive rights to broadcast and distribute its television channels via satellite in India and many parts of the world by uplinking them for downlink by licensed operators. Star India's television channels were protected audiovisual works and Star

484 High Court of the Western Province of Sri Lanka [2018]: *Star India (Pvt) Ltd v. Lanka Cable and Satellite Broadcasting Network (Pvt) Ltd*, Case No. HC/Civil/59/2016/IP (unreported).

India had the exclusive right to broadcast the protected works under section 9(1)(j) of the IP Act.

Star India claimed that its broadcasting rights were also protected in Sri Lanka under section 27(4) of the IP Act, read together with Article 14(3) of the TRIPS Agreement, to which both Sri Lanka and India are parties.

Star India claimed that the defendant, Lanka Cable and Satellite Broadcasting Network (Pvt) Ltd, was engaged in rebroadcasting and/or communicating to the public Star India's broadcast of the channels without legal authority to do so, constituting an infringement of Star India's exclusive broadcasting rights under section 20(1) of the IP Act.

Star India instituted a civil action against Lanka Cable and Satellite, praying for substantive and interim reliefs in the plaint.

Lanka Cable and Satellite objected to the interim relief and claimed *inter alia*, that:

1. Star India had neither a license nor authorization to function as a broadcaster in Sri Lanka;
2. Lanka Cable and Satellite itself was a duly licensed television operator in Sri Lanka; and
3. the images and screenshots produced by Star India as evidence did not indicate that they were captured from Lanka's broadcast nor did they include Lanka Cable and Satellite's logo.

In granting an interim injunction against Lanka Cable and Satellite, the Commercial High Court held as follows:

1. *Prima facie*, Star India was a licensed broadcaster within the meaning of the Copyright Act of India, 1957, having obtained permission to uplink non-news and current affairs television channels through satellite television channel signal reception decoders.
2. Star India's television channels were audiovisual works within the meaning of section 5 of the IP Act and were protected under section 9(1)(j).
3. The phrase "communication to the public", as defined in section 5 of the IP Act, covers the transmission to the public by wire or without wire of the images or sounds, or both, of a work and includes satellite communications, which are protected works in terms of section 6(1)(f) of the Act.
4. The IP Act does not define a "broadcasting organization", but it defines the term "broadcast" to cover the communication of a work, performance or sound recording to the public by wireless transmission, including transmission by satellite. Star India's economic rights to the communication of the television channels were therefore protected under section 9(1)(j) of the IP Act.
5. Anyone who uplinks, downlinks, reproduces or records audiovisual content and communicates content to the public through wireless means or by a wire can be said to be a broadcaster.
6. Section 20(1) of the IP Act recognizes the exclusive rights of any broadcasting organization to carry out or to authorize, *inter alia*:
  - (a) the rebroadcasting of its broadcast or a substantial part thereof; and
  - (b) the communication to the public of its broadcast or a substantial part thereof.
7. Under section 27(3) of the Act, the protection of local broadcasts shall apply to:
  - (a) broadcasts of broadcasting organizations with offices registered in Sri Lanka; and
  - (b) broadcasts transmitted from transmitters situated in Sri Lanka.
8. Sri Lanka and India are both parties to the TRIPS Agreement, Articles 3(1) and 14(3) of which recognize the principle of national treatment, obligating member countries to accord to nationals of other member countries treatment in relation to IP protection that is no less favorable than that which it accords to its own nationals.
9. By virtue of section 27(4) of the IP Act, the Sri Lankan courts must accord this same protection and protect the rights of broadcasting organizations, prohibiting the acts referred to in section 20(1) when undertaken without authorization, including the rebroadcasting, fixation, reproduction of fixations and communication to the public of broadcasts.
10. Star India, as a broadcasting organization within the meaning of the Copyright Act of India, was entitled to the exclusive broadcasting rights under that Act. As a foreign broadcasting organization in Sri Lanka, Star India was entitled to copyright protection within the meaning of section 27(4) of the IP Act.

11. Sri Lanka protects broadcasting organizations under the IP Act and – in terms of section 20(1), read together with section 27(4) – Star India, as a foreign broadcasting organization, was entitled to the copyright protection of its broadcasting rights within the scope of the IP Act by virtue of the TRIPS Agreement, to which Sri Lanka is a party.
12. The protection afforded to Star India as a broadcasting organization under the TRIPS Agreement also applied to Star India as a broadcasting organization in terms of section 27(4) of the IP Act. Any act without authorization, in violation of Star India's rights, constituted an infringement of its broadcasting rights under that Act.
13. Lanka Cable and Satellite could downlink and broadcast foreign television channel content over its network only according to any broadcasting license granted by that foreign television channel or as permitted by the foreign licensing authority. Lanka Cable and Satellite produced no such license from Star India authorizing it to downlink and broadcast the television channels referred to in the schedule to the plaint.
14. *Prima facie*, Star India had shown that Lanka Cable and Satellite was rebroadcasting its television channels and communicating to the public its broadcasts, without Star India's authorization, by unlawfully downlinking those channels referred to in the schedule to the plaint, in violation of section 20(1) of the IP Act.

#### 4.11.3.3 Expressions of folklore

Section 24(6) of the IP Act provides that the use of protected expressions of folklore in a manner not permitted by section 24(1) is an infringement, and that the person responsible for such an act will be liable to damages and injunctive or other remedies:

Any person who, without the permission of the Competent Authority referred to in [section 9(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 injunction[] and any other remedy as the Court may deem fit to award in the circumstances.

There will therefore be found to have been an infringement if:

- the expression was a protected “expression of folklore”, as defined by section 5 of the IP Act;
- the expression of folklore was used in manner specified in section 24(1) (i.e., it was reproduced, communicated to the public, or adapted, translated or otherwise transformed for commercial purposes or outside of its traditional or customary context);
- such use was not subject to the exceptions provided for in section 24(2); and
- permission for such use was not obtained from the competent authority (i.e., the Director-General of NIPO).

Uses of expressions of folklore in contravention of section 24(1)–(3) of the IP Act are dealt with exclusively in accordance with the administrative procedure provided for under section 24(6). Because expressions of folklore have no “owners”, however, section 22 of the IP Act does not apply to them.

Strictly speaking, under the Act, there are no beneficiaries of the exclusive rights provided for in section 24(1). In accordance with section 24(5), any monies collected under section 24(4) are therefore to be “used for purposes of cultural development”. The community from whom an expression of folklore was derived may, however, be regarded as a beneficiary of the “indication of source” requirement in section 24(3).

The infringement action can be instituted in the Commercial High Court by the competent authority. Because there are no owners or beneficiaries as such of the rights enumerated in section 24(1), it is not clear if, in such cases, there is a person “aggrieved” by any of the acts done in violation of that section, under which authorization should have been sought from the Director-General as the competent authority.

These were among the issues that arose in ***D. Subramaniam v. W.M.G.T.B. Walisundera, Basnayake Nilame of Kataragama Devalaya, Kotugodella Street, Kandy***,<sup>485</sup> in which the plaintiff instituted an action against the defendant, seeking substantive and interim reliefs (injunctive relief), and claiming protection as an “expression of folklore” within section 5 of the IP Act for pooja conducted at a chariot festival.

The Commercial High Court dismissed the plaintiff’s application for an interim injunction on the ground that the specific pooja that was said to have been created or designed by the plaintiff’s father had not been identified so as to enable the plaintiff to claim protection as an expression of folklore within section 5 of the IP Act. The plaintiff had not produced a single document to show that their father was the creator of an original pooja distinct from the traditional folklore practiced by Hindu religious temples all over the world.

This case addressed, *inter alia*:

- the role of individuals in the creation of expressions of folklore;
- the interplay between the protection of original copyright works (including stage productions of expressions of folklore) and expressions of folklore for which there is no identifiable author in the copyright sense; and
- legal standing to bring an action for infringement of rights in expressions of folklore.

#### 4.11.4 Defenses

The following defenses may be available in response to an allegation of civil copyright or related rights infringement:

- copyright does not subsist (see [section 4.4.2.1](#));
- fair use (see [section 4.6.3.1](#));
- the work is in the public domain (e.g., the term of copyright has expired);
- the plaintiff has no standing (e.g., they are not the owner of the rights) (see [section 4.11.2](#));
- the use was conducted pursuant to a license or other permission (see [section 4.6.5](#));
- the user acquired some other consent or authorization;
- simultaneous independent creation (see [section 4.6.1.1.1](#));
- no infringement or insufficient similarity (see [section 4.11.3.1.1.1](#)); and
- the first sale doctrine (see [section 4.6.3.2](#)).

#### 4.11.5 Twin cause of civil action: unfair competition

In addition to an infringement action, owners of copyright or related rights may pursue claims against infringers under the unfair competition provisions of section 160(1)–(9) of the IP Act (see [Chapter 2, section 2.7.2](#)).

## 4.12 Copyright-specific considerations in criminal infringement proceedings

The IP Act also provides a criminal remedy for the infringement of copyright and related rights.

### 4.12.1 Criminal offenses

Criminal offenses require proof of both:

- a criminal act (*actus reas*); and
- a guilty mind (*mens rea*).

<sup>485</sup> High Court of the Western Province of Sri Lanka [2018]: *D. Subramaniam v. W.M.G.T.B. Walisundera, Basnayake Nilame of Kataragama Devalaya, Kotugodella Street, Kandy*, Case No. HC/Civil/23/2016/IP (unreported).

*Mens rea* refers to the mental state or intent of a person when committing a crime, unless provided otherwise.

In any criminal prosecution, a guilty mind is an essential element: the prosecution must prove that the defendant had the requisite intent or knowledge (*mens rea*) to hold them guilty of a crime.

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In ***Mohamed Iqbal Mohamed Sadath v. Attorney General***,<sup>486</sup> the Supreme Court of Sri Lanka held that a court should always bear in mind that – unless a statute, either clearly or by necessary implication, rules out *mens rea* as a constituent part of a crime – the court should not find a person guilty of an offense against the criminal law unless they are proven to have had a guilty mind.

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In ***Jayaseelan Sathyanathan v. Attorney General***,<sup>487</sup> the Court of Appeal of Sri Lanka observed that “knowledge and *mens rea* are relevant to criminal liability”.

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#### 4.12.1.1 Willful infringement

Any infringement of copyright or related rights is a criminal offense in Sri Lanka.

Section 178(1) of the IP Act states:

Any person who willfully 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 thousand [LKR 500,000] 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.

The *mens rea* of the offense under section 178(1) is that the offender *willfully* infringed any of the copyright or related rights protected under Part II of the Act.

The prosecution must establish beyond a reasonable doubt that the accused committed the offense of infringement willfully – that is, deliberately, purposefully and intentionally – not by accident or inadvertently.<sup>488</sup>

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In ***Mananage Susil Dharmapala v. OIC Special Crimes Division, Colombo***,<sup>489</sup> the Supreme Court of Sri Lanka held that the preparation of unauthorized copies, their sale and the possession for sale of pirated copies of songs, including songs copied out of films, and the copying of such songs into other fixations, whether in audiovisual form or audio-only form, is prohibited by section 178(1) of the IP Act and constitutes an offense.

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#### 4.12.1.2 Attempted infringement

Attempted infringement is an offense under section 22(2)(g) of the IP Act: “Any person who infringes or attempts to infringe any of the rights protected under this Part [on copyright and related rights] 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.”

Chapters XXXVII and XLI of the Act relate to criminal offenses and customs offenses, respectively.

486 Supreme Court of Sri Lanka [2020]: *Mohamed Iqbal Mohamed Sadath v. Hon. Attorney General*, Case Nos SC/SPL/LA/58/15, SC/Appeal/110/15 (unreported).

487 Court of Appeal of Sri Lanka [1998]: *Jayaseelan Sathyanathan v. Attorney General*, CA No. 188/96 (unreported).

488 Court of Appeal of England and Wales [1886]: *In re YOUNG AND HARS-TON'S CONTRACT* (1886) 31 Ch D 168.

489 Supreme Court of Sri Lanka [2020]: *Mananage Susil Dharmapala v. OIC Special Crimes Division, Colombo*, Case No. SC/Appeal/155/14 (unreported).

Although section 22(2)(g), which criminalizes attempted infringement of copyright and related rights, is silent on the mental element, *mens rea* is an essential element in every criminal prosecution unless the particular statute provides otherwise. The IP Act does not state expressly (or by necessary implication) that the offense does *not* require proof of *mens rea* and hence it is presumed.

The question of whether the absence of the term “wilfully” in section 22(2)(g) means that the law does not require proof of willfulness but rather a lesser standard of intent has not been settled by Sri Lankan courts.

#### 4.12.1.3 Trade in infringing copies

Selling, displaying for sale or possessing for sale or rental copies of a work, with knowledge or having reason to believe that such copies infringe copyright or related rights, is an offense under section 178(2) of the IP Act:

Any person [who] 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 [LKR 500,000] 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.

The *mens rea* for an offense under section 178(2) is thus that the accused sold, displayed for sale or possessed for commercial purposes copies of a work, “knowing” or “having reason to believe” that the copies had been made in infringement of copyright or related rights.

“Knowing”, in section 178(2), means being aware or having knowledge of a particular fact or situation, and it implies that the infringer understands what they are doing and is aware of the consequences of their actions in infringing another person’s copyright.

“Having reason to believe”, in section 178(2), means having sufficient information or being aware of certain circumstances that would lead a reasonable person to believe a particular fact or truth.

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In ***Mananage Susil Dharmapala v. OIC Special Crimes Division, Colombo***,<sup>490</sup> the Supreme Court of Sri Lanka held that:

1. under section 178(2) of the IP Act, selling, displaying for sale and having in possession for sale, rental or for any other purpose of trade any copies of a work prepared in violation of copyright is prohibited by law; and
2. the violation of such prohibition constitutes an offense.

The *mens rea* of the offense under section 178(2) is that the offender should have either (i) known or (ii) had reason to believe that the “copy” in issue was made in infringement of the rights protected under Part II of the Act.

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#### 4.12.1.4 Willful use of an infringing computer program for commercial gain

Possessing or having access to a computer program with knowledge or having reason to believe that it is infringing the rights of another person and willfully making use of the program for commercial gain is a criminal offense under section 178(3) of the IP Act:

Any person knowingly or having reasons to believe that he is in possession [of] or has access to a computer program infringing the rights of another person, and [who] wilfully

490 *Ibid.*

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 [LKR 500,000] or to imprisonment for a period of six months or to both such fine and imprisonment.

The *mens rea* required for an offense under section 178(3) is that the accused must:

1. be in possession of a computer program that they:
  - (a) know, or
  - (b) have reason to believe

infringes the rights of another person; and
2. be willfully making use of such program for commercial gain.

This offense thus involves the elements of “knowingly” or “having reasons to believe”, and also the requirement of “wilfully” making use of such program for commercial gain.

#### 4.12.1.5 Abetting the commission of offenses abroad

Section 196 of the IP Act criminalizes abetting the commission of an act abroad that, if it were to be committed in Sri Lanka, would be an offense under Part XI of the IP Act (which includes willful infringement, trade in infringing copies and willful use of an infringing computer program for commercial gain, but not attempted infringement).

#### 4.12.2 Defenses

The following defenses may be available in response to an allegation of criminal copyright or related rights infringement, or other offenses:

- noninfringement;
- fair use (see [section 4.6.3.1](#));
- use conducted pursuant to a license or other permission (see [section 4.6.5](#));
- no willful act or lack of knowledge (where required);
- simultaneous independent creation (see [section 4.6.1.1.1](#));
- the work at issue was in the public domain (e.g., the term of protection had expired);
- the term of copyright protection had lapsed (see [section 4.6.6](#));
- the statute of limitations has expired (i.e., the prosecution has been commenced later than three years after the commission of the offense or two years after its discovery by the prosecutor, whichever comes first); and
- absence of jurisdiction.

# Chapter 5 Other intellectual property rights

## 5.1 Introduction

This volume began with an in-depth discussion of procedural aspects relating to the adjudication of intellectual property (IP) disputes in Sri Lanka and the available remedies (Chapter 1). That discussion was followed by dedicated chapters providing additional information for those conducting cases involving trademarks (Chapter 2), patents (Chapter 3) and copyright (Chapter 4) – the three IP rights raised mostly frequently before Sri Lankan courts.

This final chapter briefly highlights key aspects of the Intellectual Property Act, No. 36 of 2003 (the IP Act), pertaining to the protection of four further IP rights recognized in Sri Lanka:

- geographical indications;
- industrial designs;
- undisclosed information; and
- layout designs of integrated circuits.

The procedural aspects of adjudicating IP actions and available remedies were addressed in Chapter 1 of this volume; this chapter will provide cross-references to that chapter, where relevant.

Select legislation to which reference is made in this chapter is available on the WIPO Lex database.<sup>491</sup>

## 5.2 Geographical indications

Articles 22 and 23 of the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) provide the minimum standards of protection for geographical indications (GIs) that WTO members must provide in their domestic law.

Geographical indications are protected in Sri Lanka by means of a registration system established under the IP Act, as amended by the Intellectual Property (Amendment) Act, No. 8 of 2022.

Section 6 of the amending Act inserted into the IP Act a new section 160A, in which a “geographical indication” is defined as:

... 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[.]

Section 161B(1) of the IP Act provides that “[a]ny association of persons or producers or any organization or authority established by law for the time being representing the interests of the

491 See [www.wipo.int/en/web/wipolex](http://www.wipo.int/en/web/wipolex).

producers of any relevant good” may apply to the Director-General of the National Intellectual Property Office (NIPO) for the registration of such a good as a GI.<sup>492</sup>

Foreign GIs may also be registered in this way in Sri Lanka as long as the foreign GI is protected in its country of origin as a GI or a certification mark.

Section 161A of the IP Act specifies the grounds on which an application for a GI must be deemed inadmissible – that is, when:

- the identifier cannot be properly defined as a GI in line with section 160A;
- its use is contrary to law, morality, religion, customs or public order;
- it is not protected as a GI in its country of origin or it has lost such protection through lack of use;
- it is a term customary in common language as the common name of the relevant good;
- it is misleading or deceives the public as to the characteristics, nature, quality, place of origin and production process of the good or its use; or
- it constitutes the name of a plant variety or an animal breed.

Under section 161B(2), the Director-General is required, on receiving a GI application, to examine it in a prescribed manner and may either refuse the application or publish it.<sup>493</sup>

Anyone who opposes the registration of the GI may, under section 161D(1) of the IP Act, submit their objections within three months of such publication.

In the absence of any such notice of opposition, the Director-General will then register the GI.<sup>494</sup>

Under section 173(1) of the IP Act, the Director-General’s decisions to register a GI or to deny its registration are subject to appeal to the Commercial High Court.

Section 161H of the IP Act, as inserted by section 9 of the amending Act, specifies the rights afforded to registered GI owners.<sup>495</sup>

Owners of registered GIs are entitled to prevent certain unauthorized acts, depending upon whether the act is in respect of goods that are the same kind as those to which the GI applies or not.

Under section 161H(a), with respect to goods of the same kind as those to which the GI applies, the registered owner is entitled to prevent:

- (i) any direct or indirect use, misuse, imitation or evocation of a geographical indication identifying goods including an agricultural product, food, wine or spirit or handicraft manufactured and natural goods not originating in the place indicated by the geographical indication in question or not complying with any other applicable requirement for using the geographical indication, even where the true origin of the goods is indicated or the geographical indication is used in translated form or accompanied by expression “style”, “kind”, “type”, “make”, “imitation”, “method”, “as produced in”, “like”, “similar” or such similar expression; or
- (ii) any direct or indirect use, misuse, imitation or evocation of a geographical indication which constitutes an act of unfair competition within the meaning of section 160 of the Act; or
- (iii) any other practice likely to mislead consumers as to the true origin, provenance or nature of the goods including an agricultural product, food, wine or spirit or handicraft manufactured and natural goods[.]

492 Sections 161A–161E are inserted into the Intellectual Property Act, No. 36 of 2003 (IP Act) by s. 8 of the Intellectual Property (Amendment) Act, No. 8 of 2022 (amending Act).

493 Refusal of the GI application is set out at s. 161B(3)–(7) of the IP Act, as amended; publication of the GI is provided for in s. 161C.

494 IP Act, s. 161D(2).

495 Section 9 of the amending Act inserts new ss. 161F–161M into the IP Act.

Under section 161H(b), with respect to goods that are *not* of the same kind as those to which the GI applies, the registered owner is entitled to prevent:

- (i) any direct use, misuse, imitation or evocation of the geographical indication in respect of goods that are not of the same kind as those to which the geographical indication applies including an agricultural product, food, wine or spirit or handicraft manufactured, and natural goods in question, if such use would indicate or suggest a connection between those goods[] and the owners of the geographical indication and would be likely to damage their interests, or where applicable because of the reputation of the geographical indication such use would be likely to impair or dilute in an unfair manner[] or take unfair advantage of that reputation;
- (ii) any direct use, misuse, imitation or evocation of the geographical indication in respect of goods that are not of the same kind as those to which the geographical indication applies including an agricultural product, food, wine or spirit or handicraft manufactured, and natural goods in question amounting to its imitation, even if the true origin of the goods is indicated, or if the geographical indication is used in translated form or is accompanied by expression “style”, “kind”, “type”, “make”, “imitation”, “method”, “as produced in”, “like”, “similar” or such similar expression; or
- (iii) any other practice likely to mislead consumers as to the true origin, provenance or nature of the goods.

Registration of a GI is valid for 10 years from the application date and may be renewed for subsequent 10-year periods indefinitely.<sup>496</sup>

Under section 170(1) of the IP Act, registered owners may file a civil infringement action in the Commercial High Court for a violation, threatened violation or possible violation of any of the above rights (see [Chapter 1, section 1.9](#)).

The Court may order provisional measures as appropriate, including interim injunctions (see [Chapter 1, section 1.9.7](#)). Final civil remedies may include permanent injunctions, actual damages, recovery of profits, statutory damages, costs and the disposal or destruction of infringing goods outside the channels of commerce (see [Chapter 1, section 1.11.1](#)).

With respect to criminal proceedings, section 186A of the IP Act provides that “[t]he provisions relating to offences and penalties in respect of Marks as specified in this Part shall *mutatis mutandis* apply in respect of geographical indications”.<sup>497</sup> In addition to fines and imprisonment, a magistrate may order infringing goods to be seized and forfeited (see [Chapter 2, section 2.10](#)).

### 5.3 Industrial designs

An industrial design is protected under Part III of the IP Act and defined in section 30 as:

... 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 ...

Provided that anything in an industrial design which serves solely to obtain a technical result shall not be protected under this Part.

The subject matter of protection of an industrial design is the design that is applied to or embodied in the product, not the product itself.

Industrial design rights protect aesthetic elements of a product. For example, grooves or ridges on a product that exist for only aesthetic reasons may be eligible for such protection; grooves or ridges on a bottle cap that are dictated by the need to obtain a technical result (i.e., to seal the

<sup>496</sup> IP Act, s. 161E.

<sup>497</sup> Section 14 of the [amending Act](#) inserts s. 186A into the [IP Act](#).

bottle closed) would not. Products or processes that achieve a technical result may instead be eligible for patent protection (see [Chapter 3](#) on patents).

Section 29(b) of the IP Act also excludes from protection those industrial designs that:

- consist of a scandalous design;
- are contrary to morality, public order or public interest; or
- are likely to offend the religious or racial susceptibilities of any community.

Protection is available only for new industrial designs, as described in section 31(1) of the IP Act thus:

... 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.

For an industrial design to be considered new, it must differ from existing industrial designs. Section 31(3) provides that an industrial design that differs from an earlier industrial design in only minor respects or in that it concerns a different type of product is not new.

To obtain protection for an industrial design, eligible applicants must apply to the NIPO.<sup>498</sup>

Once the industrial design has been successfully registered, the owner secures the exclusive right, under section 47(1) of the IP Act, 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.

Section 47(2) specifies that the unauthorized performance of these acts shall not be lawful solely because the reproduction of the industrial design differs in minor respects from the registered design or is embodied in a type of product different from that of the registered industrial design.

The registered owner's rights extend only to acts done for industrial or commercial purposes, and section 48(2) of the IP Act provides that they shall:

not preclude third parties from performing any of the acts referred to [in section 47(1)] 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.

The initial term of protection for an industrial design is five years from the date on which the Director-General received the application for registration and it may be renewed for two consecutive periods of five years.<sup>499</sup>

The Court may, upon application of any person having a legitimate interest or any competent authority, declare the registration of an industrial design null and void on the grounds specified in section 60(1)(a)–(c) of the IP Act.

Under section 170(1) of the Act, registered owners of an industrial design may file a civil infringement action in the Commercial High Court for a violation, threatened violation or possible violation of the rights specified in section 47(1) (see [Chapter 1, section 1.9](#)).

<sup>498</sup> IP Act, ss. 36–40.

<sup>499</sup> IP Act, ss. 45–46.

The Court may order provisional measures as appropriate, including interim injunctions (see [Chapter 1, section 1.9.7](#)).

Final civil remedies may include permanent injunctions, actual damages, recovery of profits, statutory damages, costs and the disposal or destruction of infringing goods outside the channels of commerce (see [Chapter 1, section 1.11.1](#)).

With respect to criminal proceedings, section 179 of the IP Act makes willful infringement of the rights of a registered owner, assignee or licensee of an industrial design an offense, liable on conviction to a fine of up to LKR 500,000 and/or six months' imprisonment.

False representations regarding an industrial design are also a criminal offense under section 180, subject to the same maximum punishment.

In addition to fines and imprisonment, a magistrate may order infringing goods to be seized and forfeited (see [Chapter 2, section 2.10](#)).

## 5.4 Undisclosed information

Undisclosed information is protected under Part VIII of the IP Act, which also addresses unfair competition.

Section 160(6)(c) of the IP Act defines “undisclosed information” as information that:

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

Undisclosed information includes:

- technical information relating to the manufacture of goods or the provision of services; and
- business information, including internal information developed by an enterprise to be used within that enterprise.<sup>500</sup>

Section 160(6)(a) of the IP Act provides that:

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 ... and in a manner contrary to honest commercial practices shall constitute an act of unfair competition.

Section 160(6)(d) of the Act also describes as “an act of unfair competition” certain acts or practices resulting in the unfair commercial use or disclosure of secret test or other data submitted to the authorities to obtain marketing approval of pharmaceutical, agricultural or chemical products utilizing new chemical entities.

As detailed in [Chapter 2, section 2.7.2](#) in relation to trademarks, anyone aggrieved by an act of unfair competition may institute a civil action for an injunction and damages under section 160(7) of the IP Act. The provisions of Chapter XXXV of the Act (“Applications to Proceedings before the Director-General and Court”) relating to infringement apply *mutatis mutandis* to such proceedings.<sup>501</sup>

<sup>500</sup> IP Act, s. 160(6)(e).

<sup>501</sup> IP Act, s. 160(7).

The provisions of the IP Act on undisclosed information (and unfair competition more broadly) apply in addition to and independently of common law causes of action such as breach of confidence. Contractual remedies may also be available.

Willful disclosure of undisclosed information is a criminal offense under section 160(8) of the IP Act, subject to a fine of up to LKR 500,000 and/or up to six months' imprisonment. The provisions of Chapter XXXVIII of the IP Act ("Offences and Penalties") apply *mutatis mutandis*.

Other offenses under the Penal Code, such as misappropriation, breach of trust and cheating (fraud by deception), may also be applicable.<sup>502</sup>

## 5.5 Layout designs of integrated circuits

Layout designs of integrated circuits are protected under Part VII of the IP Act and relate to the three-dimensional arrangement (i.e., the topography) of a semiconductor chip intended to perform an electronic function.

A "layout design" is defined in section 159 of the IP Act as:

... 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[.]

An "integrated circuit" is defined in the same section as:

... 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[.]

The IP Act protects only original layout designs that do not merely reproduce another design, or any substantial part thereof, and which are the result of "the intellectual effort of the creator" that is not commonplace among creators of layout designs or manufacturers of integrated circuits.<sup>503</sup>

Section 148(1) of the IP Act sets forth the exclusive rights of the right holder of a layout design, which include reproducing, importing, offering for sale, selling or otherwise distributing for commercial purposes the layout design.<sup>504</sup> These rights are subject to a number of exceptions and limitations specified in section 148(2).

Layout designs are protected until the end of the 10<sup>th</sup> calendar year from:

- (a) the day of first commercial use in or outside of Sri Lanka, provided that the right holder filed an application for registration with the NIPO within two years of such date; or
- (b) if the layout design has not been previously commercially used in or outside of Sri Lanka, the filing date of an application for registration with the NIPO.<sup>505</sup>

Any person interested in a registered layout design or, alternatively, any appropriate authority may file an application with the Court for cancellation of the layout design on grounds specified in section 154(1) of the IP Act.

<sup>502</sup> Penal Code, ss. 386, 388–392, 398.

<sup>503</sup> IP Act, s. 147(1).

<sup>504</sup> IP Act, s. 148.

<sup>505</sup> IP Act, ss. 149–150.

Section 156 of the Act provides that:

- (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 [section 156(2)] may be initiated only after an application for registration of the layout design being filed with the Director-General.

Chapter 1, section 1.11.1 discusses the remedies available in a civil infringement proceeding under section 170(1) of the IP Act.

Section 157 of the Act provides that any person who knowingly and intentionally contravenes the provisions of section 148 (setting out the exclusive rights of the holder of a layout design) is guilty of an offense and liable to a fine of up to LKR 500,000 and/or six months' imprisonment.

The Court may additionally order the seizure, forfeiture and destruction of the layout design, integrated circuits, articles, or any material or implements used for or in the commission of the offense.<sup>506</sup>

506 IP Act, s. 157.

The Intellectual Property Benchbook Series is a set of practical manuals on IP law and procedure to assist judges in adjudicating IP cases appearing before them in their own courts, as well as for readers interested in learning about judicial adjudication of IP disputes across jurisdictions. This title in the series provides a guide to the judicial management of IP disputes at each stage of adjudication in Sri Lanka, with a particular focus on procedural aspects. This title was drafted by an experienced retired judge with the perspective of sharing good practices with judicial peers.