Sri Lanka Legislative Drafting Workshops

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AN ACT TO ESTABLISH A NATIONAL PATENTS OFFICE AND PROVIDE FOR THE BETTER REGISTRATION, CONTROL, REGULATION AND ADMINISTRATION OF PATENT IN SRI LANKA IN ORDER TO ENSURE THE DEVELOPMENT OF SCIENCE, TECHNOLOGY AND INDUSTRY IN SRI LANKA TO A SUSTAINABLE LEVEL; TO AMEND THE CODE OF INTELLECTUAL PROPERTY ACT NO. 52 OF 1979; AND FOR MATTERS RELATED THERETO.

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

Short title. 1. A person may cite this Act as the "Patent Act No.... of 1998" (hereinafter referred to as the "Act"), and the Act shall coming to operation on a date as the Minister may appoint (hereinafter referred to as the "appointed date")

General purpose of the Act. 2. The Act has the purpose to protect patent rights for inventions-creations, to encourage inventions-creations, and to promote the development of science and technology for meeting the needs of the construction of modernization.

PART - I

CHAPTER - I

GRANT OF PATENT RIGHTS

Requirements for grant of patents. 3. (1) In order to qualify for a grant of patent, an invention-creation or utility model must possess novelty, inventiveness and practical applicability.

(2) For the purpose of this section-

"novelty" means that before the date of filing an application, there exists no identical invention-creation or utility model publicly disclosed in publications in the country or abroad, publicly used or made known to the public;

"inventiveness", in relation to existing technology, means that the invention has prominent substantive features and represents a notable progress and that the utility model has substantive features and represents progress.

(3) An invention-creation does not lose its novelty, if within six months before the date of filing, one of the following events occurred-

(a) the inventor has first exhibited, the invention at an international exhibition recognized by the Sri Lankan Government;
(b) the inventor has first made public the invention at a prescribed academic or technological meeting;
(c) a person has disclose the invention without the consent of the applicant.
CHAPTER – II

RIGHTS CONFERRED BY PATENT

Rights of owner of a patent. 6.(1) After the grant of patent for an invention or a utility model, except as otherwise provided for in the law, no entity or individual may, without the authorization of the patentee, make use or sell the patented product, or use the patented process for production or business purposes.

(2) After the grant of patent for an invention or utility model, except as otherwise provided for in the law, the patentee has the right to prevent any other person from importing, without his authorization, patent product or the product directly obtained by his patented process for the uses referred to in subsection (1).

(3) An owner of the patent may subject to the provision of section 7, enter into a written license contract with any person for exploitation of the patent for payment of a fee. The licensee has no right to authorize any other entity or individual other than that referred in the contract, to exploit the patent.

Rights of State to exploit patent in certain circumstances. 7.(1) Government shall have the power to decide, that any entity under ownership by the whole people holds the patent right to an important invention-creation is to allow designated invention-creation and the exploiting entity shall according to the prescribed rates pay a fee for exploitation to the entity holding the patent rights.

(2) A patent of Sri Lankan individual or entity under collective ownership, of great significant to the interest of the State or to the public interest may, after approval by Parliament, be treated alike by making reference to the provisions of sub section (1). entities to exploit that

(3) The entity holding the patent rights shall award to the inventor or creator of an invention-creation a reward and, upon exploitation of the patented invention-creation, shall award to the inventor or creator a reward based on the extent of spreading and application and the economic benefits yield.

Limitation of patent rights. 8. The provision of section 6 shall-

(a) extent only to acts done for industrial or commercial purpose and in particular not to acts done only for scientific research; and

(b) not preclude a person having the rights derived from prior manufacture of products or a licensee from exploiting the patented invention.
PART - II

CHAPTER- III

ESTABLISHMENT OF THE PATENT OFFICE

9.(1) The Minister shall establish an office called the National Patent Office of Sri Lanka (hereinafter referred to as the "Patent Office") which shall be the only office in Sri Lanka for the registration, regulation and administration of patents in Sri Lanka.

(2) All records required to be kept and maintained under the provision of this Act shall be kept and maintained at the patent office and such records shall have legal recognition for the registration for patents in Sri Lanka.

10.(1) The Minister shall appoint a fit and proper person to act as the Director of Patents (hereinafter referred to as the "Director").

(2) The Director shall, subject to the direction of the Minister, have general control and superintendence of the registration, regulation and administration of patents under this Act and of all persons appointed for or engaged in the carrying out of the provisions of the Act.

(3) The Minister may in consultation with the Director appoint such number of fit and proper persons to act as Deputy Director and Assistant Directors as the Minister may consider necessary.

CHAPTER - IV

GRANT OF PATENT

11.(1) On receipt of an application under section 5, the Director shall forthwith examine the application and if he has satisfied that the application complies with the requirements of the Act, he shall publish a public notice stating the nature of the application and fix a date for a public hearing on the application, not later than thirty days of the date of the notice.
15. A person may examine the register and may obtain certified extracts therefrom on payment of the prescribed fee.

16.(1) Where any foreigner, foreign enterprise having no habitual residents or business office in Sri Lanka lies an application for a patent in Sri Lanka, the application shall be treated under this law in accordance with any agreement concluded between the country to which the applicant belongs and Sri Lanka;

(2) Where any foreigner, foreign enterprises or other foreign organization having no habitual residence or business office in Sri Lanka applies for a patent, or has other patent matters to attend to, in Sri Lanka, he or it shall appoint a patent agent licensed under this Act as his or its agent.

(3) A Sri Lankan entity or individual applies for a patent or has other patent matters to attend to in the country, or abroad it or he may appoint a patent agent to act as its or his agent.

17. Every patent granted to a foreign entity or national in respect of the subject matter prescribed as prioritised subject shall subject to the condition that the owner of the patent shall commence to use the patented process or manufacture the patented product within the territory of Sri Lanka within three years from the date of grant of patent.

18. If after the grant of a patent to a foreign national or entity the patent holder fails to comply with the condition referred to in section 17, the Director shall have the power to cancel the patent granted to such national or entity.

CHAPTER - V

DURATION OF PATENT

19. (1) Subject to the provisions of subsection (3) and (4), the duration of patent right for inventions shall be twenty years counted from the date of filing.
(2) Subject to the provisions of subsection (3) and (4) the duration of patent right for utility models shall be seven years counted from the date of filing.

(3) The patentee shall pay an annual fee prescribed, beginning with the year in which the patent right has been granted.

(4) In any of the following cases the patent right shall cease before the expiration of its duration—

(a) where an annual fee is not paid as prescribed;

(b) where the patentee abandons his patent right by a written declaration;

(c) where the Director has cancelled the patent under section 18.

(5) The Director shall record any cessation of the patent right and notify that to the public by notice published in the Gazette.

20.(1) Where after the expiration of six months from the date of notification of the grant of patent by the director, any person considers that the grant of the said patent is not in conformity with relevant provisions of the Act, that person may request the Patent Board to declare the patent right invalid.

(2) The Patent Board shall examine the request made under subsection (1) make a decision and notify the decision to the person who made the request and the patentee. The Director shall register any decision of the Board declaring the patent rights invalid and notify that to the public by notice published in the Gazette.

(3) A party aggrieved by the decision of the Patent Board may within three months from the receipt of the notification of the decision, institute legal proceedings in the commercial court.

CHAPTER – VI

COMPULSORY LICENSE FOR EXPLOITATION OF THE PATENT

21.(1) Where a person qualified to exploit the invention or utility model has made a request for authorization from the patentee of an invention or utility model to exploit
Subjects of technology transfers 27. Subjects of technology transfer shall include –

(a) subjects of industrial property which are or are not accompanied by machinery or equipment that the law permits to transfer;

(b) know-how and technical knowledge on technology in the forms of technological plans, technical solutions and process technology;

(c) technical services, training of technical personnel and high level management personnel and provision of information in connection with the technology transferred.

Technology transfer contract 28. A technology transfer contract shall be in writing, signed by the parties and registered with the Appropriate Authority and shall consists of the following:-

(a) the subject of the contract, the name and particulars of the technology, the contents of the technology and the results from the application of the technology;

(b) the quality of the technology and the contents and term of warranty for the technology;

(c) the scope and extent of keeping the technology confidential;

(d) the price of the technology and manner of payment;

(e) the responsibilities of the parties with respect to protection and further development of the technology;

(f) undertaking on training technical and high level management personnel in connection with the technology transfer;

(g) arbitration procedure in case of disputes
PART -III

CHAPTER – VIII

SANCTIONS

29. Any person who willfully infringes the rights of any registered owner, assignee or licensee of a patent shall be guilty of an offence, and liable on conviction after trial before a Magistrate to a fine not exceeding fifty thousand rupees or to an imprisonment for a term not exceed one month or to both such fine and imprisonment, and in the case of a second or subsequent conviction he shall liable to double the sentence and fine.

30. (1) All goods which, if sold, would infringe the patent rights granted under this Act, and also all goods made or produced beyond the limits of Sri Lanka, and having applied thereto any name or mark being a colorable limitation of, the name or mark of any manufacture, dealer, or trader in Sri Lanka, unless such name or mark is accompanied by a definite indication of the place and country in which the goods were made or produced are hereby prohibited to be imported into Sri Lanka, and subject to the provision of this section shall be included among goods prohibited under the Customs Ordinance;

(2) The Director General of Custom may, with the sanction of the Minister in charge of the subject of finance, make, revoke, and vary regulations, either general or special, respecting the detention and forfeiture of goods the importation of which is prohibited by this section, and the conditions, if any, to be fulfilled before such detention and forfeiture;

(3) This section shall have effect as if it formed part of the Customs Ordinance.

31. No prosecution for an offence under this Act shall be commenced after the expiration of three years from the date of commission of the offence or one year from the date of first discovery thereof by the prosecutor, which ever first happens.

32. All offences under this Act shall be "cognizable" and "bailable" within the meaning of those terms as defined in the Code of Criminal Procedure Act, No. 15 of 1979.
PART - IV

CHAPTER - IX

FINANCE

33.(1) For the purpose of this Act, Secretary to the Ministry of the Minister shall establish a fund to be called as Patent Fund. The Director shall control and maintain the Patent Fund.

(2) There shall be paid into the fund one half and every fee or charge prescribed, levied or recoverable under this Act by the Director and one half of the penalty impost and recovered under the provision of this Act by court as penalty for any offence under this Act.

(3) Balance one half of such fee or charge and one half of such penalty impose under this Act shall be paid into the consolidated fund.

(4) There shall be paid out of the fund all sums of money required to defray any expenditure incurred by the Director in the exercise, discharge and performance of his powers, functions and duties under this Act and all such sums of money as are required to be paid out of such fund by or under this Act or any regulation made thereunder.

(5) There shall be paid out of the fund all rewards for inventors-creators and contributors to the development of science and technology as decided by the Patent Board shall be paid out of the fund.

(6) Provision of Article 154 of the Constitution shall apply to the audit of the accounts of the Fund.

Interpretation

38. In this Act the expression –

"Appropriate Authority" means Board of Investment established under the Board of Investment Law;

"Authority" means the Director of patent appointed under the Act

"Court" means the Commercial Court constituted under the Judicature Act

"Traditional knowledge" means