

CHAPTER XIV

DURATION OF PATENT

83. (1) Subject and without prejudice to the other provisions of this Part a patent shall expire twenty years after the filing date of application for its registration.

Duration of patent.

(2) Where a patentee intends at the expiration of the second year from the date of grant of the patent to keep the same in force he shall, twelve months prior to the date of expiration of the second and each succeeding year during the term of the patent, pay the prescribed annual fee:

Provided, however, that a period of grace of six months shall be allowed after the date of such expiration, upon payment of such surcharge as may be prescribed :

Provided further that the patentee may pay in advance the whole or any portion of the aggregate of the prescribed annual fees.

CHAPTER XV

RIGHTS OF OWNER OF PATENT

84. (1) Subject and without prejudice to the other provisions of this Part, the owner of a patent shall have the following exclusive rights in relation to a patented invention:—

Rights of owner of patent.

- (a) to exploit the patented invention ;
- (b) to assign or transmit the patent ;
- (c) to conclude licence contracts.

(2) No person shall do any of the acts referred to in subsection (1) without the consent of the owner of the patent.

(3) For the purposes of this Part “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.

Burden of proof to be on the alleged infringer.

85. (1) Where the subject matter of a patent is a process for obtaining a product, the burden of proof in a civil action of establishing that an alleged infringing product was not obtained by that patented process shall be on the alleged infringer—

- (a) if the product obtained by the patented process is new ; or
- (b) if 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.

(2) In the gathering and evaluation of evidence, the legitimate interests of the alleged infringer in protecting his undisclosed information shall be taken into account.

86. (1) The provisions of section 84 shall—

Limitation of
owner's rights.

- (i) 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 ;
- (ii) not preclude a person having the rights referred to in section 87 or a licensee, from exploiting the patented invention ;
- (iii) 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 ;
- (iv) 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.

(2) (a) Any person, body of persons, a government department or a statutory body may make an application to the Director General for the purpose of obtaining a licence to exploit a patent in the manner hereafter provided.

(b) Upon the receipt of such application, the Director General may issue a licence for exploitation if he is satisfied that the applicant has made efforts to obtain approval from the right holder on reasonable commercial terms and conditions and that such efforts have not been successful within a reasonable period of time.

(c) Director-General may waive the requirements set out in paragraph (b) where he has satisfied himself of the existence of a national emergency or any other circumstances of extreme urgency or in case of public non-commercial use

for the purposes such as national security, nutrition, health or for the development of others vital section of the national economy.

(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 supply to 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.

(g) Where such application is for the exploitation of the 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 and 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.

(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 has failed to comply with terms of such licence.

(k) Notwithstanding anything contained in paragraph, (j) 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.

(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.

(m) Where a judicial or administrative body has determined that the manner of exploitation of a patent by its owner or its licensee is anti-competitive, and the Director-General is satisfied that the exploitation of a patent in accordance with this section would remedy such practice, the Director-General may authorize any person, body of persons, government departments or statutory body to exploit the patent without a licence of the owner of the patent. The provisions of the above paragraphs except those of paragraphs (b), (c) and (g) shall be applicable to such licence.

(3) Any person aggrieved by any decision of the Director-General under subsection (2), may tender an appeal therefrom. The provisions of section 173 shall, *mutatis mutandis*, apply in respect of such appeal.

Rights derived from prior manufacture or use.

87. (1) Where a person at the filing date or, where applicable, the priority date, of the patent application—

- (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.

(2) The right referred to in subsection (1) shall not be assigned or transmitted except as part of the business of the person concerned.

(3) The provisions of this section shall not affect the rights of any person to object to the grant of a patent on the ground that such invention is not patentable under sections 63, 64, 65 and 66 of the Act, or to seek relief under sections 68 and 99 of the Act.

CHAPTER XVI

ASSIGNMENT AND TRANSMISSION OF PATENT APPLICATIONS AND PATENTS

Assignment and transmission of patent applications and patents.

88. (1) A patent application or patent may be assigned or transmitted and such assignment or transmission shall be in writing signed by or on behalf of the contracting parties.