

(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.

89. In the absence of any agreement to the contrary between the parties, joint owners of a patent application or patent may, separately, assign or transmit their rights in the patent application or patent, exploit the patented invention and take action against any person exploiting the patented invention without their consent, but may only jointly withdraw the patent application, surrender the patent or conclude a licence contract.

Joint ownership of patent applications or patents.

CHAPTER XVII

LICENCE CONTRACTS

90. For the purposes of this Part licence contract means 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 “the licensee”) a licence to do all or any of the acts referred to in paragraph (a) of subsection (1) and subsection (3) of section 84.

Interpretation.

91. (1) A licence contract shall be in writing signed by or on behalf of the contracting parties.

Form and record of licence contract.

(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.

Rights of licensee. **92.** 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 paragraph (a) of subsection (1) and subsection (3) of section 84 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.

Rights of the licensor. **93.** (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 paragraph (a) of subsection (1) and subsection (3) of section 84.

(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 paragraph (a) of subsection (1) and subsection (3) of section 84.

Invalid clauses in licence contracts. **94.** 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 :

Provided that—

- (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,

shall not be deemed to constitute such restrictions.

95. Where, before the expiration of the licence contract, any of the following events occur in respect of the patent application or patent referred to in such contract—

Effect of patent application not being granted or patent being declared null and void.

- (a) the patent application is withdrawn ;
- (b) the patent application is finally rejected ;
- (c) the patent is surrendered ;
- (d) the patent is declared null and void ; or
- (e) the registration of the licence contract is invalidated,

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 repayment only in part, if he can prove that any such repayment would be inequitable under the circumstances, in particular if the licensee has effectively profited from the licence.

96. The Director-General shall—

Expiry, termination or invalidation of licence contract to be recorded.

- (a) if he is satisfied that a recorded licence contract has expired or been terminated, record that fact in the register upon a request in writing to that effect signed by or on behalf of the parties thereto ;
- (b) record in the register the expiry, termination or invalidation of a licence contract under any provision of this Part.

Licence contracts involving payments abroad.

97. (1) 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 and transmit all papers in his custody relevant to a decision on such matter to the Governor of the Central Bank.

(2) Where on receipt of any communication under subsection (1) the Governor of the Central Bank informs the Director-General in writing that the said licence contract or any amendment or renewal thereof is detrimental to the economic development of Sri Lanka, the Director-General shall cancel and invalidate the record of such contract in the register.

(3) The provisions of this section shall apply, *mutatis mutandis*, to assignments and transmissions.

(4) The provisions of this Chapter shall apply, *mutatis mutandis*, to sub-licence.

(5) The provisions of this Chapter shall have no application to a licence referred to in subsection (2) of section 86.

CHAPTER XVIII

SURRENDER AND NULLITY OF PATENT

Surrender of patent.

98. (1) The registered owner of a patent may surrender the patent by a declaration in writing signed by him or by any person authorized by him on his behalf and shall submit it to the Director-General.