

## CHAPTER XLI

### AMENDMENT OF THE CUSTOMS ORDINANCE

**206.** Section 101 of the Customs Ordinance (Chapter 235) is hereby amended by the insertion immediately after paragraph (e) of that section of the following new paragraph :—

Amendment of section 101 of the Customs Ordinance. (Chapter 235)

“(ee) for prohibiting of importation and exportation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the Intellectual Property Act, No. 36 of 2003”.

**207.** The Customs Ordinance hereinafter referred to as “the Ordinance ”is hereby amended in Part XIII of that Ordinance by the insertion immediately after section 125 thereof of the following new sections :—

Insertion of new sections in the Customs Ordinance.

“Inclusion of prohibited goods in Schedule B of Customs Ordinance.

125A. (1) The importation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the Intellectual Property Act, No. 36 of 2003 (hereinafter referred to as the “Act”) shall be prohibited and such goods shall be included among the goods the importation of which, are prohibited under section 43 of the Ordinance and included in Schedule B of the Ordinance as prohibited goods.

(2) The exportation of the goods referred to in subsection (1) of this section shall be prohibited and such goods shall be included among the goods the exportation of which, are prohibited as if they were referred to in section 44 of the Ordinance and included in Schedule B of the Ordinance as prohibited goods.

(3) Notwithstanding anything to the contrary in any other law, prohibited goods referred to in subsections (1) and (2) of this section, shall be disposed of outside the channels of commerce

or if such disposal damages the interests of the owner of any right protected under the Act, be destroyed.

(4) “Counterfeit trade mark goods” mean any goods including packaging, bearing without authorization a trade mark which is identical to a 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 trade mark recognised by the Act.

(5) “Pirated copyright goods” mean any goods which are made without the consent of the copyright holder or person duly authorised by the copyright holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right by the Act.

Suspension of certain goods by Customs Authorities.

125B. (1) A right holder, who has valid grounds to believe that the importation of counterfeit trade mark or pirated copyright goods or of any other goods in contravention of the right holder’s rights under the Act is taking place, may make an application in writing to the Director-General, of customs requiring him to suspend of the release of such goods into free circulation.

(2) A right holder who makes an application under subsection (1) shall provide adequate evidence to satisfy the Director-General of Customs that there is a, *prima facie*, case of infringement of the right holder’s rights under the Act and supply a sufficiently detailed description of the goods to make them readily recognisable by any officer of the Customs.

(3) (a) The Director-General of customs shall have the power to require an applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent any abuse ;

(b) Where pursuant to an application made under subsection (1), the Director-General of customs suspends the release of any goods into free circulation, he shall forthwith cause the importer and the applicant to be promptly notified the the suspension.

(4) If the Director-General of customs fails to receive any notice regarding the institution of proceedings in respect of the of release of any goods suspended under subsection (3), within a period not exceeding ten working days after the applicant has been informed of the suspension as provided for in subsection (3), he shall cause the goods to be released, provided all other conditions for importation or exportation have been complied with.

(5) Where pursuant to an application made under subsection (1), the Director-General of customs has suspended the release of any goods into free circulation and the period referred to in subsection (4) has expired without the granting of any provisional relief by a Court, and provided that all other conditions for importation have been complied with, the owner, importer or consignee of such goods shall be entitled to have such goods released.

(6) Notwithstanding anything contained in the preceding provisions of this section, where the suspension of the release of any goods is carried out or continued in accordance with an

order of court, the provisions of subsection 4 of section 170 of Intellectual Property Act, No. 36 of 2003, shall apply.

(7) The court shall have the power to order the applicant to pay the importer, the consignee and the owner of the goods, appropriate compensation for any harm caused to them through the wrongful detention of goods or through the detention of goods released pursuant to the preceding provisions of this section.

(8) Without prejudice to the protection of confidential information, the Court shall have power to give the right holder sufficient opportunity to have any goods detained by the customs authorities inspected in order to substantiate the right holder's claims. The Court shall in addition have power to give the importer an equivalent opportunity to have any such goods inspected.

(9) Without prejudice to other rights of action open to the right holder and the defendant, the Court shall have the power to order the destruction or disposal of any infringing goods in accordance with the principals set out in section 170 of Intellectual Property Act, No. 36 of 2003. In regard to counterfeit trade mark goods, the Court shall not other than in exceptional circumstances allow the re-exportation of the infringing goods in an unrelated state or subject them to a different customs procedure.

(10) The provisions of sections 125A and 125B shall not apply to small quantities of goods of a non-commercial nature contained in a traveller's personal luggage or forwarded in small consignments.

(11) In this section, the expressions “counterfeit trade mark goods” and “pirated copyright goods” shall have the same meanings as are assigned to them in section 125A.”.

## CHAPTER XLII

### REPEALS AND SAVINGS

**208.** (1) The Code of Intellectual Property Act, No. 52 of 1979 (hereinafter referred to as the “Code”) is hereby repealed.

Repeals and savings.

(2) Notwithstanding the repeal of the Code the National Intellectual Property Office of Sri Lanka established under the Code, and the officials appointed under the Code shall continue and shall be deemed to have been established and appointed respectively under this Act.

(3) Notwithstanding the repeal of the Code every regulation made thereunder as in force on the date of commencement of this Act, in so far as such regulation is not inconsistent, with the provisions of this Act shall be deemed to be made under this Act, and such regulations may be amended, rescinded or altered by regulations made under this Act.

(4) Notwithstanding the repeal of the Code—

(a) Every application for registration of an Industrial Design, Patent or Mark made to the Director-General under the provision of the code and pending on the date immediately preceding the date of commencement of this Act, shall be deemed to be an application made to the Director-General under Part III, IV or V respectively of this Act, and shall be dealt with in accordance with the provisions of this Act ;