

or registration, use the industrial design and exercise the exclusive rights referred to in paragraphs (a) to (c) of subsection (1) of section 47, but may only jointly withdraw the application, renounce the registration or conclude a licence contract.

## CHAPTER IX

### LICENCE CONTRACTS OF INDUSTRIAL DESIGNS

Interpretation.

**51.** For the purposes of this Part licence contract means any contract by which the registered owner of an industrial design (“the Licensor”) grants to another person or enterprise (“the licensee”) a licence to do any or all of the acts referred to in paragraphs (a), (b) and (c) of subsection (1) of section 47.

Form and record of licence contract.

**52.** (1) A licence contract shall be in writing 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 requires to be 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.

**53.** In the absence of any provision to the contrary in the licence contract, the licensee shall—

- (a) be entitled to do any or all of the acts referred to in paragraphs (a), (b) and (c) of subsection (1) of section 47 within Sri Lanka, during the period of validity of the registration of the industrial design, inclusive of the period of renewal if any ;
- (b) not be entitled to assign or transmit his rights under the licence contract or grant sub-licenses to third parties.

**54.** (1) In the absence of any provision to the contrary in the licence contract, the licensor may grant further licenses to third parties in respect of the same industrial design or on behalf of himself do any or all of the acts referred to in sub-paragraphs (a), (b) and (c) of subsection (1) of section 47.

Rights of licensor.

(2) Where the license contract provides that the license is exclusive, and unless it is expressly provided otherwise in such contract, the licensor shall not grant further licenses to third parties in respect of the same industrial design or not execute any of the acts referred to in sub-paragraphs (a), (b) and (c) of subsection (1) of section 47 or cause to be executed.

**55.** Any clause or condition in a license contract shall be null and void in so far as it imposes upon the licensee, in industrial or commercial field, restrictions not derived from the rights conferred by this Part on the registered owner of an industrial design, or unnecessary for safeguarding of such rights :

Invalid clauses in license contracts.

Provided that—

- (a) restrictions concerning the scope, extent, or duration of use of the industrial design, or the geographical area in or the quality or quantity of the products in connection with which the industrial design may be used ; and
- (b) obligations imposed upon the licensee to refrain from all acts capable of prejudicing the validity of the registration of the industrial design,

shall not be deemed to constitute such restrictions.

**56.** Where, before the expiration of the license contract the registration is declared null and void the licensee in such event not be required to make any payment to the licensor under the licence contract, and shall be entitled to reimbursement of the payments already made :

Effect of nullity of registration of license contract.

Provided that the licensor shall not be required to make any repayment, or be required to make repayment in part, to the extent of his ability to prove that such repayment would be inequitable having considered all the circumstances and in particular whether the licensee has effectively profited from the licence.

Expiry,  
termination or  
invalidation of  
licence  
contract.

**57.** The Director-General shall—

- (1) 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 ;
- (2) record in the register the expiry, termination or invalidation of a licence contract under any provision of this Part.

Licence  
contracts  
involving  
payments  
abroad.

**58.** (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 the matter which are essential to the making of a decision on such matter to the Governor of the Central Bank.

(2) Where the Governor of the Central Bank on receipt of any communication under subsection (1) 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 assignment and transmissions.

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

## CHAPTER X

### RENUNCIATION AND NULLITY OF REGISTRATION OF INDUSTRIAL DESIGN

**59.** (1) The registered owner of an industrial design may renounce the registration by a declaration in writing signed by him or on his behalf in writing and submit it to the Director-General.

Renunciation of registration.

(2) The Director-General shall, on receipt of the said declaration, record it in the register and cause such record to be published in the Gazette.

(3) The renunciation shall take effect from the date that the Director-General receives the said declaration.

(4) Where a licence contract in respect of an industrial design is recorded in the register the Director-General shall not, in the absence of any provision to the contrary in such licence contract, accept or record the said renunciation except upon receipt of a signed declaration by which every licensee or sub-licensee on record consents to the said renunciation, unless the requirement of their consent is expressly waived in the licence contract.

**60.** (1) The Court may on the application, to which the registered owner of the industrial design and every assignee, licensee or sub-licensee on record shall be made a party, of any person having a legitimate interest, or of any competent authority including the Director-General, declare the registration of the industrial design null and void on any one or more of the following grounds—

Nullity of registration.

(a) that the provisions of sections 29, 30 and 31 have not been complied with :