



## CHECKLIST OF ISSUES ON ENFORCEMENT<sup>1</sup>

### RESPONSE FROM SRI LANKA

#### Civil and Administrative Procedures and Remedies

##### (a) Civil judicial procedures and remedies

#### 1. Specify the courts which have jurisdiction over IPR infringement cases

Commercial High Court established for the Western province under the High Court of the Provinces (Special Provisions) Act No. 10 of 1996 is vested with the sole and exclusive civil jurisdiction in respect of litigation involving IP rights.

Any person aggrieved by a decision of the commercial High Court may prefer an appeal to the Supreme Court against such order with the leave of the Supreme Court first had and obtained.

#### 2. (a) Which Persons have standing to assert IPRs?

Any person to whom any recognized IP rights are granted under the Intellectual Property Act of Sri Lanka (Act No. 36 of 2003) have standing to assert IPRs where any person or a body of persons is threatening to infringe or has infringed his rights or is performing acts which make it likely to infringe a right under the Act.

In the case of Unfair competition -

Any person or enterprise or association of producers or traders aggrieved by any act or practice constituting an unfair competition may institute proceedings in court to prohibit the continuance of such act or practice and obtain damages for losses suffered as a result of such act or practice.

In the case of Geographical indications –

Any act or practice carried out or engaged in, in the course of industrial or commercial activities that is contrary to honest practices in relation to geographical indications as provided in section 160 of the Act may constitute an act of unfair competition and a civil action can be instituted seeking an injunction and any other relief deemed appropriate to prevent any use of such geographical indications.

In the case of Undisclosed information -

Any act or practice carried out or engaged in, in the course of industrial or commercial activities that is contrary to honest practices in relation to undisclosed information as provided in the Act (se 160 (6) may constitute an act of unfair competition. Civil proceedings can be instituted for prohibiting the continuance of prohibited acts of undisclosed information and obtain damages for losses suffered. Criminal remedies- Unlawful disclosure of such information is a criminal offence and on conviction is liable to a fine not exceeding five hundred thousand rupees or to imprisonment of either description for a term not exceeding 6 months or to both such fine and imprisonment.

---

<sup>1</sup> Document IP/C/5.

It is important to note however, that in case of license contract relating to an industrial design, patent or mark or any other matter provided by the Act and in the absence of any provision to the contrary in such contract, the licensee is required to request the registered owner to apply for an injunction, in case of an infringement or threatened infringement of his rights or acts being performed in relation to such infringement. If the registered owner fails to apply for an injunction within 3 months from the receipt of the said request, the licensee may apply for an injunction in his own name, with notice to the registered owner who may join in the proceedings. However, the court may, on application of the licensee, prior to the said period grant an injunction if he proves that immediate action is necessary to avoid substantial damage. (sec. 171)

**(b) How they may be represented?**

In a Civil Court, they may be represented by his recognized agent or registered attorney duly appointed by such right holder or such recognized agent to act on behalf of such party.

**(c) Are there any requirements for mandatory personal appearances before the Courts by the right holder?**

Personal appearance is not mandatory in civil litigation. An appearance in a court of law can be made by a right holder in person or his recognized agent or registered attorney duly appointed by such right holder or such agent to act on behalf of such party.

**3. What authority do the judicial authorities have or order, at the request of an opposing party, a party to proceedings to produce evidence which lies within its control?**

The Court has the power to order the opposing party to tender any evidence that is relevant to the substantiation of the claim and is in his control. This order may be made where such a party has presented reasonably available evidence in support of the claim and has specified that evidence relevant to the substantiation of such claim lies in the control of the opposing party. However, the order for the tendering of such evidence will be made subject to the protection of confidential information (se. 179 (3) (iii)).

**4. What means exist to identify and protect confidential information brought forward as evidence?**

The order for tendering of such evidence will be made subject to the protection and identification of confidential information. Thus, the order may be made where such a party (i) has presented reasonably available evidence in support of the claim and (ii) has specified that evidence relevant to the substantiation of such claim lies in the control of the opposing party.

**5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use:**

**(a) Injunctions –**

Where a person to whom a recognized rights granted under the Act, proves to the satisfaction of the court that any person is threatening to infringe or has infringed his rights or is performing acts which makes it likely to infringe a right under the Act, the court may grant an injunction restraining any such person from commencing or continuing such infringement or performing such acts.

An injunction may take the form of interim or permanent and may be available in the infringing proceedings. Where it appears to court that the object of granting an injunction would be defeated by delay, it may until the hearing and decision of the application for an injunction, enjoin the defendant for a period not exceeding 14 days in the first instance. The court may, for good and sufficient reasons, which shall be recorded, extend such periods not exceeding 14 days at a time. Any disobedience of such injunction or enjoining order so granted may be enforced, by punishment of the offender as for contempt of court.

(b) *Damages, including recovery of profits and expenses, including attorney's fees -*

In the same infringing action the court has the power to order damages (170 (1)). The court has the power to order the infringer to pay the right holder such actual damages as adequate to compensate him for the loss suffered by him, by reason of such infringement, in addition to the recovery of profits that may have been made (170 (3)).

The right owner has, however, an option to elect at any time before judgment to recover, instead of proved actual damages, an award of statutory damages for any infringement involved in the action of a sum not less than Sri Lanka rupees 50,000/- and not more than Sri Lankan rupees 1 million as the court may consider appropriate and just (170 (10)). (See also section 22 (2) (b) as regards copyright and related rights.)

(c) *Destruction or other disposal of infringing goods and materials/implements for their production -*

The court has the power to order the infringing goods to be disposed of outside the channels of commerce or to be destroyed without the payment of any compensation (170 (3) (ii)). (See also section 22 (2) (c) as regards copyright and related rights).

(d) *Any other remedies -*

(a) The court has the power to order other relief as the court may deem just and equitable, which may include:

- (i) Keeping accounts of profits;
- (ii) The Act empowers the court to make the following orders in respect of copyright infringement:
  - (a) to order the impounding of copies of works or sound recordings suspected of being made, sold, rented or imported without the authorization of the owner where the making, selling, renting or importation of copies is subject to authorization and their implements could be used in the creation of copies of such infringing goods (22 (2) (ii));
  - (b) to order destruction or other reasonable manner of disposing of copies made in infringement of any right protected under the Act, is available and their packaging outside the channels of commerce in such a manner as would avoid harm to the owner of the rights, unless he requests otherwise; (22) (2) (c);
  - (c) to order, where there is a danger that implements may be used to commit or continue to commit acts of infringement, destruction or other reasonable manner of disposing of such implements outside the channels of commerce so as to minimize the risks of further infringements, including the surrender to the owner of the rights (22 (2) (d)).
  - (d) where there is a danger that acts of infringement may be continued, the court shall make such orders as may be necessary prevent such acts being committed. 22 (2) (e);
  - (e) Payment of expenses caused by the infringement including legal fees.

(b) Unfair competition - is defined in the Intellectual Property Act of 2003 as follows: "Any act or practice carried out or engaged in, in the course of industrial or commercial activities that are contrary to honest practices shall constitute an act of unfair competition." 160 (1). The Act recognises the following acts in particular constituting unfair competition.

1. Causing confusion with respect to another's enterprise or its activities.
2. Damaging another's goodwill or reputation.
3. Misleading the public (any act or practice which misleads or likely to mislead the public in respect of another's enterprise or its activities)

4. Discrediting another's enterprise or his activities. (any false or unjustifiable allegation in the course of industrial or commercial activity which discredits or is likely to discredit another's enterprise.)
5. Disclosure, acquisition or use by others of secret information. (any act of practice in the course of industrial or commercial activities that results in the disclosure, acquisition or use by others of undisclosed information without the consent of the person lawfully control of that of that information.) The protection against acts of unfair competition can be enforced by means of civil remedies as provided in section 160 (7) and the reliefs include injunctions and damages.

(c) Common law remedy of Passing off - The law of passing off, which is a form of tort known to the English common law means that "nobody has any right to represent his goods as the goods of somebody else" (Reddaway v Banham (1896) AC 199 at 224). The five elements of passing off as recognised in Reckitt & Coleman Products Ltd v Borden Inc., as (1) Reputation or goodwill attached to the goods or services (2) Deception (Misrepresentation of that goodwill) (3) actual damage or reasonable likelihood of damage. (1990) 1 All E.R. 873)

The case law developed under the former Trademarks Ordinance in Sri Lanka demonstrates that the tort of passing off is recognised in Sri Lanka. In the case of Kapadiya vs. Mohamed 20 NLR 314 at 317 Shaw J. stated that although the passing off action is not specifically reserved in the statutory law (Trade Marks Ordinance), such an action can be successfully maintained under our law. The provisions relating to unfair competition do not interfere with the common law tort of passing off and the passing off continues to exist in Sri Lanka along with the action of unfair competition. The tort of passing off comes under unfair competition and its elements are incorporated in the Sri Lankan Act itself. However, unfair competition is much wider than passing off and it is only one remedy of unfair competition. The tort of passing off it has now developed into a new independent cause of action and both actions can be successfully maintained in Sri Lanka.

The remedies under passing off are injunctions and/or damages or as an alternative an account of profits. Additionally, an order may be granted for the delivery or destruction of articles to which the name or mark has been applied or an order for the obliteration of such marks or names.

**6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution?**

The court has the power to order the infringer to inform the right holder of the identity of the persons involved in the production and distribution of the infringing goods or services and of channels of distribution used by them. The court may, however, make this order other than in an instance where it would not be in proportion to the seriousness of the infringement (170 (4))

**7. Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?**

Where the interim measures taken under section 170 (6) are modified or revoked or it is subsequently found that there has been no infringement of a protected right, the court has the power to order the plaintiff, upon the request of the defendant who has been wrongfully enjoined to pay appropriate compensation for any injury caused (170 (8)).

Further, public officials are protected from any suit or prosecution under the section 170 (11) of the Act where they have acted in good faith and in pursuance of any provisions of the Act. The said section reads as follows:

"No suit or prosecution shall lie against any officials for any act which is done in good faith and in pursuance of any provisions of this Act."

---

**8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

The length of the judicial proceedings depends on the nature of the IPR dispute. In many infringing litigation, the proceedings are terminated after the interim injunction is either allowed or refused since the parties either withdraw the case or settled. The length of such proceedings may take 6 months to 1 year. If the parties insist on litigating on substantive matters, the length of the proceedings depends on the nature of issues involved in the litigation and the number of witnesses to be called and the court calendar and the appeal procedure in case of an appeal (if any) to the Supreme Court with leave of the Supreme Court first had and obtained.

The data however, is not available on cost of proceedings since costs depend on the nature of the IPR dispute and the attorney's fees. However, after the litigation is over, bill of costs is filed and it may be enforced as if were an order of the Court.

*(b) Administrative proceedings and remedies*

**9. Reply to the above question in relation to any administrative procedures on the merits and remedies that may result from these procedures**

The Act provides an alternative remedies for redress for aggrieved parties in IP violation cases by filing administrative complaints before the Director-General of Intellectual property. The Director-General has the original quasi-judicial functions in the administration of IP. The commencement of an administrative action before the Director-General is independent and without prejudice to the filing of an action with the regular courts.

(a) The Director-General has the power, on an application being made in the prescribed form and manner by a person aggrieved by any of his copyrights or related rights being infringed or in any manner affected, and after due inquiry, to determine any question that may be necessary or expedient to determine in connection with such application. The decision of the Director-General shall be binding on the parties subject, however, to the right of a party aggrieved by such decision to make an appeal to the Commercial High Court (22 (3)).

The words "...on an application being made ... by a person aggrieved by any of his rights under this Part being infringed or in any manner affected..." imply that the scope of the subject matter covers not only infringement of rights but also rights affected by any other manner such as ownership of rights, contractual relationships, payment and quantum of royalties, restraining a defendant from committing or continuing the acts of infringement. The person aggrieved by the decision of the Director-General may make an appeal to the Commercial High Court and unless such Court issues an interim order staying the operation of the decision of the Director-General, such decision shall continue to be in force until the matter is decided by the Court.

Remedies: The Director-General, after due inquiry, may impose the following administrative remedies in respect of such application:

- (i) decide that the rights of any party have been infringed and restraining a defendant from committing or continuing the acts of infringement;
- (ii) decide that any other right of a right holder has been affected such as ownership of rights, contractual relationships, payment and quantum of royalties etc. and make necessary orders accordingly.
- (iii) decide that rights of the owners have not been infringed;
- (iv) decide any other rights of the right holders have not been affected.

## Provisional Measures

### (a) Judicial measures

#### 10. Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority

(a) Interim Injunctions-where any person is threatening to infringe or has infringed his rights or is performing acts which makes it likely to infringe a recognized right of a right holder (170 (1), the court has the power to make an appropriate interim order under section 170 (6). Interim injunctions may also include orders directing the opposing party to tender evidence to the substantiation of a claim including materials or implements or documents in the possession of the opposing party and used in the creation of infringing goods or production and/or distribution of these goods and the documents relating thereto in the possession of the defendant. (170 3) (b).

Legal Basis of issuing Injunctions- Its object is to keep matters in status quo until the question at issue between the parties can be determined. legal principles governing the question of issuing or refusing to issue an injunction were laid down in Sri Lanka in the case of Felix Dias Bandaranaike v. State Film Corporation (1981) 2 SLR 218. It was held in this case that in deciding whether or not to grant an interim injunction the following sequential tests should be applied:

1. Has the plaintiff made out a strong *prime facie* case of infringement or imminent infringement of a legal right to which he has title, that is, that there is a serious question to be tried in relation to his legal rights and that the probabilities are that he will win;
2. In whose favour is the balance of convenience- the main factor being the uncompensatable disadvantage or irreparable damage to either *party*? In *Yakkaduwe Sri Pragnarama Thero v. Minister of Education* 71 NLR 506, 511 H.N.G.Fernando, C.J adopted the explanation of what is meant by the expression 'balance of convenience' as set out in *Halsbury* (3<sup>rd</sup>. Ed. Vol. 51, p. 366):

"Where any doubt exists as to the plaintiff's right or if his right is not disputed, but its violation is denied, the Court in determining whether an interlocutory injunction should be granted , takes into consideration the balance of convenience to the parties and the nature of the injury which the defendant, on the other hand, would suffer if the injunction was granted and he should ultimately turn out to be right and which the plaintiff, on the other hand, might sustain if the injunction was refused and he should ultimately turn out to be right.....The burden of proof that the inconvenience which the plaintiff will suffer by the refusal of the injunction is greater than that which the defendant will suffer, if it is granted, lies on the plaintiff".

The test for the proof of greater harm is that irrespective of the availability of damages, if the claimant would suffer irreparable loss or damages and unless injunction is issued, the defendant is unlikely to satisfy the final judgment. Irreparable loss/injury- means that the injury is one which cannot be adequately compensated by damages. It means any wrong or damage done to another either to his person, rights, reputation or damage done to another either to his person, reputation, rights or property. If damages cannot be capable of being accurately measured, it may constitute irreparable damages.

3. As the injunction is an equitable relief granted in the discretion of the Court, it has to be considered whether the conduct and dealings of the parties justify the grant of the injunction (ex- delay and suppression of material facts will be taken into consideration).

(b) Interim orders- 170 (6). The purpose of interim orders is to preserve for the trail evidence pending the disposition of the plaintiff's claim. Such orders can include:

- (i) order for tendering of any evidence relevant to the substantiation of a claim of the right holder subject to confidential information. Such orders may also include:

- (a) the detailed description with or without the taking of samples of the infringing goods; (b) detailed description of the materials and implements used in the creation of infringing goods or production and/or distribution of these goods and the documents relating thereto; (c) orders for the preservation of assets preventing the removal of assets pending the disposition of the plaintiff's claim for damages where the defendant threatens or is about to remove or dispose of his property with intent to defraud the plaintiff (See se. 54 (c) of Judicature Act which support this position).

(c) The Court has the power to order interim measures relating to protection, *ex parte*, where appropriate, in particular (i) where any delay is likely to cause irreparable harm to the right holder or (ii) where there is a demonstrable risk of evidence being destroyed (section 170 (6)).

Legal Basis of making Interim Orders- The object of interim measures is to preserve for the trial evidence in the possession of the defendant or prospective defendant, pending the determination of the action where any delay in preserving evidence is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.

The applicant should satisfy court that (i) he has an extremely strong prima facie case that his claim will succeed on the merits; (ii) the damage, actual or potential, by such destruction of evidence to the applicant is very serious and delay in making an order is likely to cause irreparable harm to the right holder; (iii) the defendant is in the possession of incriminating evidence- documents or material and that there is a real possibility or demonstrable risk that, if he is forewarned, he may destroyed such evidence before any application *inter parte* can be made.

#### **11. In what circumstances may such measures be ordered *inaudita altera parte*?**

The court has the power to adopt provisional measures *ex parte* where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed. The order is made on an *ex-parte* application that is without the defendant's being given notice and without his being heard. The defendant will become aware of the order when it is served on him. Thus, when an interim order is made *ex-parte*, the parties affected shall be given notice and shall on receipt of such notice be entitled to be heard as to whether the interim order should be modified or revoked (170 (7)).

#### **12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant**

(a) Interim Injunctions –A party seeking an interim injunction is required to present petition and affidavit except where the injunction is prayed for in the plaint itself and in such case, the contents of the plaint shall be supported by an affidavit. No injunction in Sri Lanka will be issued without notice. However, where it appears to court that the object of granting an injunction would be defeated by delay, it may until the hearing and decision of the application for an injunction, the court may enjoin the defendant by making an enjoining order for a period not exceeding 14 days in the first instance and the court may for good and sufficient reason, extend for periods not exceeding 14 days at a time.

The enjoining order and/or notice of injunction will be served on the parties affected and the granting or refusing to grant an interim injunction may be made upon a due inquiry after hearing the parties affected by such enjoining order or interim injunction sought. The order is based on affidavits, documents and written submissions and no direct appeal will lie but only a leave to appeal with special leave having being obtained from the Supreme Court.

The operation of the enjoining order so made may be vacated or suspended by the same court if it is satisfied that such order was obtained by suppression or misrepresentation of material facts. There is provision to award compensation where a party obtains an injunction or enjoining order on insufficient grounds. The violation of an enjoining order has the same effect of an interim injunction and such violation of is a punishable with contempt of court.

(b) Interim orders - A party seeking an interim order is required to present reasonably available evidence to support his/her claims by petition and affidavit with supporting documents that (i) his/her IP right has been infringed or is about to be infringed and tendering of for the substantiation of the claim and is in the control of the opposing party is relevant including any materials and implements used in the creation of infringing goods or production and/or distribution of these goods and the documents relating thereto in the possession of the defendant (ii) his/her IP right has been infringed or is about to be infringed and the defendant threatens or is about to remove or dispose of his assets accumulated or to be accumulated out of the infringing goods with intent to defraud the plaintiff (See se. 54 (c) of Judicature Act which supports this position).

Such orders may be made upon an application of the claimant supported by an affidavit with supporting documents *ex-parte* and the parties affected by such order will be entitled to notice and shall on receipt of such notice be entitled to be heard as to whether the interim order should be modified or revoked.(170 (7).

In order to protect the legitimate interests of the defendant, the following provisions are included in the Act: (i) the court may direct the claimant to provide security or other equivalent assurance and also to prevent abuse of any interim orders so made (170 (9); (ii) where the interim measures taken are modified or revoked or it is subsequently found that there has been no infringement of a protected right, the court has the power to order the plaintiff, upon the request of the defendant who has been wrongfully enjoyed to pay appropriate compensation for any injury caused to the defendant (170 (8).

**13. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.**

The length and the cost of proceedings of IPR disputes are not regulated by specific provisions. The length and the cost depend on the nature of the dispute.

(b) *Administrative measures*

**14. Reply to the above questions in relation to any administrative measures**

There are no specific administrative measures.

**Special Requirements Related to Border measures**

**15. Indicate for which goods it is possible to apply for the suspension by customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis* imports). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?**

The importation and exportation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the IP Act of Sri Lanka is prohibited in terms of amended section 101 of the Customs Ordinance (section 206 of IP Act).

Section 125A (1) of the Customs Ordinance provides that the importation of counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the IP Act shall be prohibited and such goods shall be included among the goods the importation of which are prohibited under section 43 of the Customs Ordinance and included in schedule B of the Ordinance as prohibited goods.

Section 125A (2) of the Customs Ordinance provides that the exportation of the goods referred to in subsection (1) shall be prohibited and such goods shall be included among the goods the exportation of which are prohibited under section 44 of the Customs Ordinance and included in schedule B of the Ordinance as prohibited goods.



The words "counterfeit trade mark goods or pirated copyright goods or any other goods in contravention of the provisions of the IP Act" indicate that the prohibition applies not only to "counterfeit trade mark goods or pirated copyright goods" but to any other goods which involve infringements of intellectual property rights as defined in the TRIPS Agreement.

*Exception to importation*

(i) 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 (*de minimus* imports)-125B (10).

"Personal Baggage" means the permissible quantities of articles and goods in-passenger baggage as the Director General of Customs, may from time to time determine. "Goods in small consignments" means any goods that arrive as bone fide gift or commercial or trade samples received by an individual or registered company as determined by the Director General of Customs.

**16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Article 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?**

Suspension of goods by Customs Authorities-

Section 125B of the Customs Ordinance contains provisions with regard to the suspension by the Customs ordinance of the goods imported in violation of intellectual property rights. Those provisions are as follows:

(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. (See Article 52).

(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. (See Article 53)

(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 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. (see- Article 55)

(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. (See- Article 56);

(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. (See Article 57)

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.

**17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?**

Steps are being taken to collect data since exact data is presently not available.

**18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to ex officio action?**

Yes. Acts on Customs on its own initiatives (Ex. Officio Action) is available. The Customs shall on its own initiative suspend the clearance of importation or exportation of goods in respect of which it has acquired prima facie evidence that an intellectual property right has been, or may be infringed. The Officers, of Customs shall be exempted from liability only where such action is taken in good faith (Article 9 of Gazette Extraordinary dated 1523 dated 15.11.2007)

Where the clearance or exportation of the goods has been suspended by the Customs on its own initiative, the Customs shall immediately inform the right holder of the place and date of the suspension of Customs Clearance. The Customs may seek any assistance or any information including technical expertise and facilities from the right holder, without any payment, for the purpose of determining whether the suspended goods are counterfeit, pirated or otherwise infringe an intellectual property right. (Vide- the same Gazette-Article 10)

**19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use**

Disposal of prohibited goods by the Director-General of Customs

Both section 43 and 44 declares that the prohibited goods shall be forfeited and shall be destroyed and disposed of as the Director-General of Customs may direct. Subject to the right of the defendant to seek remedy by a judicial authority, the Director-General has the authority to order the destruction or dispose of infringing goods in accordance with section 125 (3) of the Customs Ordinance.

Section 125 (3) provides that notwithstanding anything to the contrary in any other law, such prohibited goods in contravention of IP Act 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.

## Criminal Procedures

### 20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.

The Magistrate's Court has jurisdiction.

### 21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?

The following are only infringing offences:

Offence	Penalty	Other sanctions
Infringement of copyright 178 (1) Any person who willfully infringes any of the rights protected under the provisions relating to copyright and related rights shall be liable on conviction	For a fine not exceeding Rs. 500000/- or imprisonment for a term not exceeding 6 months or to both. In the case of second or subsequent conviction, such fine or term of imprisonment or both may be doubled.	The Magistrate may, whether the alleged offender is convicted or not, order that all copies of the work and all implements used for the infringement, or all plates in the possession of the alleged offender, which appear to him to be infringing copies, or plates or implements used for the purpose of making infringing copies, shall be destroyed or delivered up to the owner of the right, or otherwise dealt with in such manner as the Magistrate may think fit.
2) Any person knowing or having reason to believe that copies have been made in infringement of the rights protected under Part II of the Act, sells, displays for sale, or has in his possession for sale or rental or for any other purpose of trade any such copies, shall be guilty of an offence and shall be liable on conviction	for a fine not exceeding rupees five hundred thousand or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction, to double the amount of a such fine or term of imprisonment or both.	
(3) Any person knowingly or having reasons to believe that he is in possession or has access to a computer program infringing the rights of another person, and willfully makes use of such program for commercial gain, shall be guilty of an offence and shall be liable on conviction by a Magistrate	for a fine not exceeding rupees five hundred thousand or to imprisonment for a period of six months or to both such fine and imprisonment.	
Attempted infringement of copyright and related rights 22 (2) (g) Any person who infringes or attempts to infringe any of the rights protected under copyright or related rights shall be guilty of an offence and on conviction be liable	to any penalty as provided above	

Offence	Penalty	Other sanctions
<p>Infringement of Industrial Design 179.</p> <p>Any person who willfully infringes the rights of any registered owner, assignee or licensee of an Industrial Design shall be guilty of an offence and shall be liable on conviction after trial before a Magistrate</p>	<p>to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both.</p>	
<p>Infringement of Patents- 181</p> <p>Any person who willfully infringes the rights of any registered owner, assignee or licensee of a patent shall be guilty of an offence, and shall be liable on conviction after trial before a Magistrate to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both.</p>	<p>to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment, and in the case of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both.</p>	
<p>Infringement of Marks. 184. Any person who willfully infringes the rights of any registered owner, assignee or licensee of a Mark, shall be guilty of an offence and shall on conviction after trial before a Magistrate be liable</p>	<p>to a fine not exceeding five hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment and in the case of a second or subsequent conviction to double the amount of such fine or term of imprisonment or both such fine and imprisonment.</p>	
<p>Offences by bodies of corporate 187. Where an offence under this Act has been committed by a body corporate, every person who at the time of the commission of the offence was a Director- General, Manager, Secretary or other similar officer of that body shall be deemed to be guilty of such offence, unless he proves that the offence was committed without his consent or connivance and that he exercised all due diligence to prevent the commission of the offence.</p>	<p>to a fine not exceeding five hundred thousand rupees.</p>	

Offence	Penalty	Other sanctions
Lay-out designs of integrated circuits- 157-Any person who knowingly or intentionally contravenes the provisions of Sec 148 that recognizes the exclusive rights attached to a layout shall be guilty of an offence.	to a fine not exceeding five hundred thousand rupees or to imprisonment of either description for a term not exceeding 6 months or to both such fine and imprisonment and second or subsequent conviction to double the amount of such fine or term of imprisonment or both such fine and imprisonment.	Seizure, forfeiture, destruction of such articles or any material or implement, which have been used for the commission of offence.

**22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and /or in response to complaints?**

(i) Prosecution by Police Officers- (Police Plaints) Sec. 136 (1) (b) of the Criminal Procedure Code empowers a Police Office to institute criminal prosecution in a Magistrate's Court.

(ii) Prosecution by a private individual- (Private Plaints) - Every right holder by way of a private complaint (se. 136 (1) (a) Criminal procedure code empowers every person to make a complaint of an offence to a Magistrate's Court.

(iii) Even any member of the public may make a complaint to the Police and the Police may initiate prosecution based on such complaint.

**23. Do private persons have standing to initiate criminal proceedings and, if so, who?**

Yes, a complaint in criminal proceedings can be made by the owner of the rights or a duly appointed agent of the owner as the complainant (ex. power of attorney holder).

**24. Specify by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:**

- (a) Copyright-infringement
- (b) Patent -infringement
- (c) Industrial Designs-infringement
- (d) Trademarks-infringement
- (e) Lay-out designs of integrated circuits-Infringement

- **imprisonment:** See above

- **monetary fines:** See above

- **seizure, forfeiture and destruction of infringing goods and materials and implements for their production:**

- (i) a Magistrate may make issue
  - (a) summons; 197 (1) (a)
  - (b) search warrants to search counterfeit goods 197 (1) (b)
- (ii) Seizure- a Police officer upon such warrant may search and seize such goods and bring them before the Magistrate 197 (2) (c)
- (iii) Forfeiture- of goods used in the offence- 197 (2)
- (iv) disposal of forfeited goods and awarding proceeds of such sale to innocent party for any loss he may have sustained in dealing with such property 197 (3).

**25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.**

Steps are being taken to collect data from Magistrate's Courts.

---