

Agreement on the Protection and Enforcement of Intellectual Property Rights between the United States of America and the Democratic Socialist Republic of Sri Lanka

The Government of the United States of America and the Government of the Democratic Socialist Republic of Sri Lanka (hereinafter referred to collectively as "Parties and individually as "Party") agree to provide adequate and effective protection and enforcement of intellectual property rights in patents, trademarks, copyrights, trade secrets, and layout designs for integrated circuits.

1. Each Party shall provide no less favorable treatment to nationals of the other Party than it provides to its own nationals with respect to laws, regulations and practices implementing the provisions of this Agreement.
2. To provide adequate and effective protection and enforcement of intellectual property rights, each Party shall adhere to the Paris Convention for the Protection of Industrial Property (Stockholm 1967) (Paris Convention), the Berne Convention for the protection of Literary and Artistic Works (Paris 1971) (Berne Convention), and the Geneva Convention for the Protection of Producers of Phonograms (Geneva Convention) and also observe, inter alia, the following commitments:

(a) Copyright and Related Rights

(i) Each Party shall protect the works listed in Article 2 of the Berne Convention and any other works now known or later developed, that embody original expression within the meaning of the Berne Convention, including:

- (1) all types of computer programs (including application programs and operating systems) expressed in any language, whether in source or object form which shall be protected as literary works;
- (2) works created with the use or assistance of computers; and
- (3) collections or compilations of protected or unprotected material or data whether in print, machine readable or any other medium including data bases, which shall be protected in so far as they constitute an intellectual creation by reason of the selection, coordination, or arrangement of their contents.

(ii) Rights in works protected pursuant to paragraph 2 (a) (i) of this Agreement shall include, the following:

- (1) the exclusive right to import or authorize the importation into the territory of the Party of lawfully made copies of the work;
- (2) the exclusive right to prevent the importation into the territory of the Party of copies of the work made without the authorization of the right-holder;
- (3) the exclusive right to make the first public distribution of the original or each authorized copy of a work by sale, rental, or otherwise;
- (4) in respect of at least computer programs, sound recordings and works fixed on phonograms, the exclusive right to authorize or prohibit the rental of the original or copies of their copyrighted works. Each party may exclude from the rental right programs that are fixed

as part of a machine or are fixed in a medium that is not susceptible to copying. Putting the originals or copies of computer programs or sound recordings on the market with the consent of the right-holder shall not exhaust the rental right; and

(5) the exclusive right to publicly communicate a work except for a sound recording (e.g., to perform, display, project, exhibit, broadcast, transmit, or retransmit a work); the term "public" shall include:

(A) communicating a work in a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or

(B) communicating or transmitting a work, performance, or a display of a work, in any form, or by means; of any device or process to a place specified in clause 2 (ii) (3) (A) or to the public, regardless of whether the members of the public capable of receiving such communications can receive them, in the same place or separate places and at the same time or at different times.

(iii) Parties shall extend the protection afforded under paragraph 2(a) (i) and (ii) of this Agreement to authors of the other Party, whether they are natural persons or, where the domestic law of the Party seeking protection so provides, juridical entities, and to their successors in title.

(iv) Each Party shall provide that the exclusive rights protected under paragraph 2 (a) (ii) of this Agreement are freely and separately exploitable and transferable. Each Party also shall provide that assignees and exclusive licensees may enjoy all rights of their assignors and licensors acquired through voluntary agreements, and ensure that they are entitled to enjoy and exercise their acquired exclusive rights in their own names.

(v) In cases where a Party calculates the term of protection of a work on a basis other than the life of a natural person, the term of protection shall be no less than 50 years from the first authorized publication or, failing such authorized publication within 50 years from the making of the work, 50 years after the making.

(vi) Each Party shall confine any limitations upon and exceptions to the exclusive rights provided under paragraph 2 (a) (ii) of this Agreement (including any limitations or exceptions that restrict such rights to "public" activity) to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

(vii) Each Party shall limit resort to compulsory licensing to those works, rights and utilizations permitted under the Berne Convention; and further permitted shall ensure that any legitimate compulsory or non-voluntary license or restriction of exclusive rights to a right of remuneration shall provide means to ensure payment and remittance of royalties at a level consistent with what would be negotiated on a voluntary basis.

(b) Trademarks

(i) Protectable Subject Matter

(1) Trademarks shall consist of at least any sign, words, including personal names, designs, letters, numerals, colors, or the shape of goods or of their packaging, provided that the mark is

capable of distinguishing the goods or services of one undertaking from those of other undertakings.

(2) The term "trademark" shall include service marks, collective and certification marks.

(ii) Acquisition of Rights

(1) A trademark right may be acquired by registration or may use. Each Party shall provide a system for the registration of trademarks.

(2) Each Party shall publish each trademark either before it is registered or, promptly after it is registered and shall afford other parties a reasonable opportunity to petition to cancel the registration. In addition, each Party may afford an opportunity for the other Party to oppose the registration of a trademark.

(3) The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.

(iii) Rights Conferred

(1) The owner of a registered trademark shall have exclusive rights therein. He shall be entitled to prevent all third parties not having his consent from using in commerce identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is protected, where such use would result in a likelihood of confusion.

(2) Each Party shall refuse to register or shall take steps for the cancellation of the registration and prohibition of use of a trademark likely to cause confusion with a trademark of another which is considered to be well-known. A Party may not require that the reputation of the trademark extend beyond the sector of the public which normally deals with the relevant goods or services.

(3) The owner of a trademark shall be entitled to take action against any unauthorized use which constitutes an act of unfair competition,

(4) The rights described in the foregoing paragraphs shall not prejudice any existing prior rights, nor shall this affect the possibility of PARTIES making rights available on the basis of use.

(iv) Term of Protection

The registration of a trademark shall be indefinitely renewable for terms of no less than 10 years when conditions for renewal have been met. Initial registration of a trademark shall be for a term of at least 10 years.

(v) Requirement of Use

(1) If use of a registered mark is required to maintain trademark rights, the registration may be cancelled only after an uninterrupted period of at least two years of non-user unless legitimate reasons for non-use exist. Use of the trademark with the consent of the owner shall be recognized as use of the trademark for the purpose of maintaining the registration.

(2) Legitimate reasons for non-use shall include non-use due to circumstances arising independently of the will of the trademark holder such as import restrictions on or other

government requirements for products protected by the trademark which constitute an obstacle to the use of the mark.

(vi) Other Requirements

The use of a trademark in commerce shall not be encumbered by special requirements, such as use which reduces the function of a trademark as an indication of source or use with another trademark.

(vii) Compulsory Licensing

Compulsory licensing of trademarks shall not be permitted.

(viii) Transfer

Trademark registrations may be transferred.

(c) Patents

Patentable Subject Matter

Patents shall be available for inventions, whether products or processes, in all fields of technology, with the exception of any invention or discovery which is useful in the utilization of special nuclear material or atomic energy in an atomic weapon.

(ii) Rights Conferred

(1) A patent shall confer the right to prevent others not having the patent owner's consent from making, using, or selling the subject matter of the patent. In the case of a patented process, the patent confers the right to prevent others not having consent from using that process and from using, selling, or importing at least the product obtained directly by that process.

(2) Where the subject matter of a patent is a process for obtaining a products, each Party shall provide that the burden of establishing that an alleged infringing product was not made by the process shall be on the alleged infringing at least in one of the following situations:

(A) the product is new, or

(B) a substantial likelihood exists that the product was made by the process and the patent owner has been unable through reasonable efforts to determine the process actually used. In the gathering and evaluation of evidence to the contrary, the legitimate interests of the defendant in protecting his trade secrets shall be taken into account.

(3) A patent may be revoked only on grounds that would have justified a refusal to grant the patent.

(iii) Exceptions

Each Party may provide limited exceptions to the exclusive rights conferred by a patent, such as for acts done for experimental purposes, provided that the exceptions do not significantly prejudice the economic interests of the right-holder, taking account of the legitimate interests of third parties.

(iv) Term of Protection

Each Party shall provide a term of protection of at least 20 years from the date of filing of the patent application or 17 years from the date of grant of the patent. Each Party is encouraged to extend the term of patent protection, in appropriate cases, to compensate for delays caused by regulatory approval processes.

(v) Compulsory Licenses

Each Party may limit the patent owner's exclusive rights through compulsory licenses but only (1) to remedy an adjudicated violation of competition laws, (2) to address, only during its existence, a declared national emergency, and (3) to enable compliance with national air pollutant standards, where compulsory licenses are essential to such compliance.

Where the law of a Party allows for the grant of compulsory licenses and the following Provisions shall be respected:

- (1) Compulsory licenses shall be non-exclusive and non-assignable except with that part of the enterprise which exploits such license.
- (2) The payment of remuneration to the patent owner adequate to compensate the patent owner fully for the license shall be required, except for compulsory licenses to remedy adjudicated violations of competition law.
- (3) Each case involving the possible grant of a compulsory license shall be considered on its individual merits except that such consideration may be waived in cases of a declared national emergency.
- (4) Any compulsory license shall be revoked when the circumstances which led to its granting cease to exist, taking into account the legitimate interests of the patent owner and of the licensee. The continued existence of these circumstances shall be reviewed upon request of the patent owner.
- (5) Judicial review shall be available for:
 - (a) decisions to grant compulsory licenses, except in the instance of a declared national emergency,
 - (b) decisions to continue compulsory licenses, and
 - (c) the compensation provided for compulsory licenses.
 - (d) Layout-Designs of Semiconductor Integrated Circuits

(i) Subject Matter for Protection

- (1) Each Party shall provide protection for original layout-designs incorporated in a semiconductor integrated circuit, however the layout-design might be fixed or encoded.
- (2) Each Party may condition protection on fixation or registration of the layout-designs. If registration is required, applicants shall be given at least two years from the first commercial exploitation of the layout design in which to apply. A Party which requires deposits of identifying material or other material related to the layout design shall not require applicants to disclose confidential or proprietary information unless it is essential to allow identification of the layout-design.

(ii) Rights Acquired

(1) Each Party shall provide to right-holder of lay-out designs of the other Party the exclusive right to do or to authorize the following:

(A) to reproduce the layout-design;

(B) to incorporate the layout-design in a semiconductor chip; and

(C) to import or distribute a semiconductor integrated circuit incorporating the layout-design and products including such integrated circuits.

(2) The conditions set out in paragraph (c)(vi) of this paragraph shall apply, mutatis mutandis, to the grant of any compulsory licenses for layout-designs.

(3) Neither Party is required to extend protection to layout-designs that are commonplace in the industry at the time of their creation or to layout-designs that are exclusively dictated by the functions of the circuit to which they apply.

(4) Each Party may exempt the following from liability under its law:

(A) reproduction of a layout-design for purposes of teaching, analysis, or evaluation in the course of preparation of a layout-design that is itself original;

(B) importation and distribution of semiconductor chips, incorporating a protected layout-design, which were sold by or with the consent of the owner of the layout-design; and

(C) importation or distribution up to the point of notice of a semiconductor chip incorporating a protected layout-design and products incorporating such chips by a person who establishes that he did not know, and had no reasonable grounds to believe, that the layout-design was protected, provided that, with respect to stock on hand or purchased at the time notice is received, such person may import or distribute only such stock but is liable for a reasonable royalty on the sale of each item after notice is received.

(iii) Term of Protection

The term of protection for the lay-out design shall extend for at least ten years from the date of first commercial exploitation or the date of registration of the design, if required, whichever is earlier.

(e) Acts Contrary to Honest Commercial Practices and the Protection of Trade Secrets

(i) In the course of ensuring effective protection against unfair competition as provided for in Article 10 bis of the Paris Convention for the Protection of Industrial Property, each Party shall provide in its domestic law and practice the legal means for nationals, companies and organizations to prevent trade secrets from being disclosed to, acquired by, or used by others without the consent of the trade secret owner in a manner contrary to honest commercial practices insofar as such information:

(1) is not, as a body or in the precise configuration and assembly of its components, generally known or readily ascertainable;

(2) has actual or potential commercial value because it is not generally known or readily ascertainable; and

(3) has been subject to reasonable steps under the circumstances to keep it secret.

(ii) Neither Party shall limit the duration of protection for trade secrets so long as the conditions in paragraph 2(e)(i) of this Agreement exist.

(iii) Licensing

Neither Party shall discourage or impede voluntary licensing of trade secrets by imposing excessive or discriminatory conditions on such licenses or conditions which dilute the value of trade secrets.

(iv) Government Use

(1) If a Party requires, as a condition of approving the marketing of pharmaceutical or agricultural chemical products which utilize new chemical entities, the submission of undisclosed test or other data, the origination of which involves a considerable effort, that Party shall protect such data against unfair commercial use. Further each Party shall protect such data against disclosure except where necessary to protect the public or unless steps are taken to ensure that the data is protected against unfair commercial use.

(2) Unless the person submitting the information agrees, the data may not be relied upon for the approval of competing products for a reasonable period of time, taking into account the efforts involved in the origination of the data, their nature, and the expenditure involved in their preparation, and such period of time shall generally be not less than five years from the date of marketing approval.

(3) Where a Party relies upon a marketing approval granted by another Party, the reasonable period of exclusive use of the data submitted in connection with obtaining the approval relied upon shall commence with the date of the first marketing approval relied upon.

(f) Enforcement of Intellectual Property Rights

(i) General Provisions

(1) Each Party shall ensure that enforcement procedures as specified in this Agreement are available under their national laws so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide safeguards against abuse.

(2) Procedures for enforcing intellectual property rights shall be fair and equitable.

(3) Decisions on the merits of a case shall, as a general rule, be in writing and reasoned. They shall be made known at least to the parties to the dispute without undue delay.

(4) Each Party shall provide an opportunity for judicial review of final administrative decisions on the merits of an action concerning the protection of an intellectual property right. Subject to jurisdictional provisions in each Party's laws concerning the importance of a case, an opportunity for judicial review of the legal aspects of initial judicial decisions on the merits of a case concerning the protection of an intellectual property right shall also be provided.

(ii) Specific Procedural and Remedial Aspects of Civil Actions

(1) Each Party shall make available to right-holders civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement. Defendants in such

procedures shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties to such procedures shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information.

(2) Each Party shall provide its judicial authorities the authority to order a party to a proceeding to desist from an infringement; however, a Party is not required to accord such authority in respect of protected subject matter acquired or ordered by a person or entity prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.

(3) The judicial authorities of a Party shall also have the authority to order the infringer to pay the right-holder damages adequate to compensate for the injury the right-holder has suffered because of an infringement of his intellectual property right by an infringer who knew or had reasonable grounds to know that he was engaged in infringing activity.

(4) In order to create an effective deterrent to infringement, each Party shall provide its judicial authorities the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed outside the channels of commerce in such a manner as to avoid any harm caused to the right-holder, or destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interest of third parties shall be taken into account.

(5) Notwithstanding the other provisions of paragraph 2(f), when a Party to this Agreement is sued with respect to infringement of an intellectual property right as a result of the use of that right by or for the government, the Party may limit remedies against the government to payment of full compensation to the right-holder.

(6) Each Party shall provide its judicial authorities with the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse.

(7) Each Party may also provide administrative procedures to enforce intellectual property rights. To the extent that any civil remedy can be ordered as a result of an administrative decision on the merits of a case, the procedures shall conform to principles equivalent in substance to those set forth in paragraph 2(f)(i) and (ii).

(iii) Provisional Measures

(1) Each Party shall provide its judicial authorities the authority to order prompt and effective provisional measures:

(A) to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods including imported goods no later than immediately after customs clearance; and

(B) to preserve relevant evidence in regard to the alleged infringement.

(2) Each Party shall provide its judicial authorities the authority to adopt provisional measures on an ex parte basis, 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.

(3) The judicial authorities shall have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right-holder and that his right is being infringed or that such infringement is imminent, and to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.

(4) Where provisional measures have been adopted on an ex parte basis, the parties affected shall be given notice, without delay, after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the defendant with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed.

(5) The applicant may be required to supply any other information necessary for the identification of the goods concerned by the authority that will execute the provisional measures.

(6) Without prejudice to point (4) above, provisional measures taken on the basis of (1) and (2) above shall, upon request by the defendant, be revoked or otherwise cease to have effect, if proceedings leading to a decision on the merits of the case are not initiated within a reasonable period not exceeding one month after the notification of the provisional measures, unless determined otherwise by the judicial authority.

(7) Where the provisional measures are revoked or where they lapse due to any act or omission by the applicant (other than settlement of the case), or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by these measures.

(iv) Criminal Procedures

Each Party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting and copyright piracy on a commercial scale. Remedies available shall include imprisonment and monetary fines sufficient to provide an effective deterrent and in appropriate cases the seizure, forfeiture and destruction of the infringing goods and of any device the predominant use of which has been in the commission of the offence. Each Party may provide for criminal procedures and penalties to be applied in cases of infringement of any other intellectual property right, in particular where it is committed willfully and on a commercial scale.

3. For purposes of this Agreement:

(a) "right-holder" includes the right-holder himself, any other natural or legal person authorized by him who are exclusive licensees of the right, or other authorized persons, including federations and associations, having legal standing under domestic law to assert such rights;

(b) "A manner contrary to honest commercial practice" is understood to encompass, inter alia, practices such as theft, bribery, breach of contract, inducement to breach, electronic and other forms of commercial espionage, and includes the acquisition, use or disclosure of trade secrets by third parties who knew, or had reasonable grounds to know, that such practices were involved in their acquisition of such information.

(c) "Integrated circuit" means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function.

4. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prohibit the adoption or enforcement by a Party of measures to secure compliance with law or regulations relating to the protection and enforcement of intellectual property rights and the prevention of deceptive practices as set out in this Agreement.

5. The provisions of this Agreement shall not limit the right of either Party to take any action for the protection of its essential security interests.

6. Prior to submission of legislation necessary to carry out the obligations of this Agreement, the Parties agree to consult and jointly identify by the exchange of letters or otherwise all matters in the Agreement which are at variance with current law or need supplementing or amendment to such law and to take all necessary steps to bring these matters into conformity with the Agreement. In addition, the Parties agree to consult promptly at the request of either Party upon any matter concerning the interpretation, implementation or operation of this Agreement.

7. Each Party agrees to submit for enactment no later than September 1, 1993, the legislation necessary to carry out the obligations of this Agreement and to exert its best efforts to enact and implement this legislation by that date.

8. This Agreement shall enter into force thirty days after it is signed by the Parties. It shall remain in force for a period of ten years and shall continue to be in force unless terminated in accordance with this Article. Either party may, by giving one year's notice to the other Party, terminate this Agreement at the end of the initial ten year period or at any time thereafter.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Colombo this 20th day of September 1991, in the English and Sinhala languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA: