

**PROTECTION AGAINST UNFAIR PRACTICES
(INDUSTRIAL PROPERTY RIGHTS) ACT**

Act 22 of 2002 – 6 January 2003

ARRANGEMENT OF SECTIONS

SECTION

- | | |
|---|--|
| PART I – PRELIMINARY | 7. Misleading the public |
| 1. Short title | 8. Discrediting another’s enterprise or activities |
| 2. Interpretation | 9. Unfair competition in respect of secret information |
| PART II – UNFAIR PRACTICE | 10. Offences |
| 3. Application | 11. Civil liability |
| 4. General principles | 12. Regulations |
| 5. Causing confusion with respect to another’s enterprise or activities | 13. — |
| 6. Damaging another’s goodwill or reputation | |

**PROTECTION AGAINST UNFAIR PRACTICES
(INDUSTRIAL PROPERTY RIGHTS) ACT**

AN ACT

PART I – PRELIMINARY

1. Short title

This Act may be cited as the Protection against Unfair Practices (Industrial Property Rights) Act.

2. Interpretation

In this Act—

“appearance”, in relation to a product, includes its packaging, shape, colour or other non-functional characteristics;

“business identifier” includes business symbols, emblems, logos and slogans used by an enterprise to convey, in the course of industrial or commercial activities, a certain identity with respect to the enterprise and the products produced or the services rendered by that enterprise;

“dilution of goodwill or reputation” means the lessening of the distinctive character or advertising value of a trademark, trade name or other business identifier, the appearance of a product or the presentation of products or services or of a celebrity or well-known fictional character;

“industrial or commercial activities” includes the activities of professionals;

“practice” includes an omission to act;

“trademark” includes any mark relating to goods, service or to both goods and services;

“unfair practice” includes any act referred to in—

- (a) section 52 of the Patents, Industrial Designs and Trademarks Act;
- (b) section 3 of the Geographical Indications Act;
- (c) section 15 of the Layout-Designs (Topographies) of Integrated Circuits Act; and
- (d) section 4 of this Act,

by a person other than the owner of the title of protection and without the agreement of the latter.

PART II – UNFAIR PRACTICE

3. Application

Sections 4 to 9 shall apply to any of the industrial property enactments.

4. General principles

(1) Any act or practice, referred to in sections 5 to 9 which, in the course of any industrial or commercial activity, is contrary to honest commercial practice, shall be unlawful.

(2) Any act referred to in subsection (1) shall amount to an act of unfair practice and may give rise to a claim in damages.

(3) In any action under this Act, the Court may, notwithstanding any other enactment, grant such remedies, by way of damages, injunction, forfeiture or otherwise, as the Court may think fit.

(4) For the purposes of subsection (1), the term “contrary to honest commercial practice” shall include any practice, which may constitute a breach of contract, a breach of confidence, an inducement to breach or the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that any such practice was involved in the acquisition.

5. Causing confusion with respect to another’s enterprise or activities

(1) Any act or practice which, in the course of an industrial or commercial activity, causes or is likely to cause confusion with respect to another’s enterprise or its activities, in particular, the products or services offered by such enterprise, shall constitute an unfair practice.

(2) Such confusion referred to in subsection (1) may, in particular, be caused with respect to any of the following—

- (a) a trademark, whether registered or not;
- (b) a trade name;
- (c) a business identifier other than a trademark or trade name;
- (d) the appearance of a product;
- (e) the presentation of products or services; or
- (f) a celebrity or a well-known fictional character.

6. Damaging another's goodwill or reputation

(1) Any act or practice which, in the course of an industrial or commercial activity, damages or is likely to damage the goodwill or reputation of another's enterprise shall constitute an unfair practice, regardless of whether such act or practice causes confusion.

(2) Any damage to another's goodwill or reputation as referred to in subsection (1) may, in particular, result from the dilution of the goodwill or reputation attached to any of the following—

- (a) a trademark, whether registered or not;
- (b) a trade name;
- (c) a business identifier other than a trademark or a trade name;
- (d) the appearance of a product;
- (e) the presentation of products or services; or
- (f) a celebrity or a well-known fictional character.

7. Misleading the public

(1) Any act or practice which, in the course of an industrial or commercial activity, misleads or is likely to mislead the public with respect to an enterprise or its activities, in particular, the products or services offered by such enterprise, shall constitute an unfair practice.

(2) Misleading may arise out of advertising or promotion and may, in particular, occur with respect to—

- (a) the manufacturing process of a product;
- (b) the suitability of a product or service for a particular purpose;
- (c) the quality or quantity or other characteristics of products or services;
- (d) the geographical origin of products or services;
- (e) the conditions on which products or services are offered or provided; or
- (f) the price of products or services or the manner in which it is calculated.

8. Discrediting another's enterprise or activities

(1) Any false or unjustifiable allegation which, in the course of industrial or commercial activities, discredits or is likely to discredit another's enterprise or its activities, in particular, the products or services offered by such enterprise, shall constitute an unfair practice.

(2) Discrediting may arise out of advertising or promotion and may, in particular, occur with respect to any of the following—

- (a) the manufacturing process of a product;
- (b) the suitability of a product or service for a particular purpose;
- (c) the quality or quantity or other characteristics of products or services;
- (d) the conditions on which products or services are offered or provided; or
- (e) the price of products or services or the manner in which it is calculated.

9. Unfair competition in respect of secret information

(1) Any act or practice which, in the course of industrial or commercial activities, results in the disclosure, acquisition or use by others of secret information without the consent of the person lawfully in control of such information and in a manner contrary to honest commercial practice shall constitute an unfair practice.

(2) Any disclosure, acquisition or use of secret information by others without the consent of the rightful holder may, in particular, result from—

- (a) industrial or commercial espionage;
- (b) breach of contract;
- (c) breach of confidence;
- (d) inducement to commit any of the acts referred to in paragraphs (a) to (c); or
- (e) acquisition of secret information by a third party who knew, or was grossly negligent in failing to know, that an act referred in paragraphs (a) to (c) was involved in the acquisition.

(3) For the purposes of this section, any information shall be considered "secret information" where—

- (a) it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons who normally deal with the kind of information in question;
- (b) it has commercial value because it is secret; and
- (c) it has been subject to reasonable steps under the circumstances by the rightful holder to keep it secret.

(4) Subject to subsection (5), any act or practice, in the course of any industrial or commercial activity, shall be considered an unfair practice where it amounts to or results in—

- (a) an unfair commercial use of secret test or other data, the origination of which involves considerable effort, which has been submitted to a competent authority for the purposes of obtaining approval of the marketing of pharmaceutical or agricultural chemical products which utilise new chemical entities; or
- (b) the disclosure of such data, except where necessary to protect the public unless steps are taken to ensure that the data are protected against unfair commercial use.

(5) Subject to subsection (6), no person, other than the person who submitted undisclosed tests or other data, the origination of which involves considerable effort, shall rely on such data in support of an application for product approval for a reasonable period of time after the submission of those tests or data.

(6) For the purposes of subsection (5), a reasonable period or time shall, taking into account the nature of the data and the person's efforts and expenditure in producing them, be not less than 5 years, unless the Minister otherwise decides.

10. Offences

Any person who contravenes section 4 (1) shall commit an offence and shall, on conviction, be liable to a fine of 250,000 rupees and to imprisonment for a term not exceeding 5 years.

11. Civil liability

(1) Any civil proceeding by an owner of a right, under any of the industrial property enactments for an unfair practice, shall be commenced by way of plaint with summons before the Court.

(2) On the request of the owner of a right or of a licensee if he has requested the owner to institute Court proceedings for a specific relief and the owner has refused or failed to do so, the Court may—

- (a) grant an injunction to prevent an unfair practice, or an unlawful act;
- (b) award damages; and
- (c) grant any other remedy provided for in law.

(3) In any action for an alleged unfair practice, it shall be presumed, unless the defendant puts it in issue, that—

- (a) a right subsists in the work to which the action relates;
- (b) the plaintiff is the owner if he claims so to be.

(4) For the purposes of any proceedings under subsection (1), in respect of the violation of the rights of the owner of a patent, where the subject

matter of the patent is a process for obtaining a product, the burden of establishing that an identical product was not made by the process shall be on the alleged infringer if either of the following conditions is fulfilled—

- (a) the product is new; or
- (b) a substantial likelihood exists that the product was made by the process and the owner of the patent has been unable through reasonable efforts to determine the process actually used.

(6) In requiring the production of evidence, the Court before which the proceedings referred to in subsection (4) take place, shall take into account the legitimate interests of the alleged infringer in not disclosing his manufacturing and business secrets.

12. Regulations

The Minister may make regulations prescribing all matters that are required or permitted to give effect to this Act.

13. —
