

# Product Branding and Trademark Law in Sri Lanka: Aligning Domestic Practice with International Standards



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## Introduction

Product branding has become an indispensable feature of the global economy, and trademarks are the legal tools that underpin it. A successful brand distinguishes goods and services in increasingly crowded markets, creates consumer loyalty, and conveys intangible values of quality and reliability<sup>1</sup>. From multinational corporations with billion-dollar brand valuations to small domestic enterprises seeking a foothold in export markets, trademarks are central to economic competitiveness. The economic rationale is straightforward: when consumers rely on brand identifiers, firms have incentives to maintain consistent quality and invest in goodwill, while legal protection ensures that competitors cannot free ride on these efforts.<sup>2</sup>

<sup>1</sup> Alexander Diana, *The Brand Strategy: Differentiate, Engage, and Grow in Today's Competitive Market* (PublishDrive 2024)

<sup>2</sup> Lionel Bently and Brad Sherman, *Intellectual Property Law* (6th edn, OUP 2022) Chapter 35.

As a developing country, Sri Lanka is no exception to this with a strong reliance on exports of agricultural products such as tea, cinnamon, and rubber, as well as growing ambitions in services and manufacturing, the ability to build and protect brands is central to national development policy. Historically, the legal framework for trademarks in Sri Lanka was shaped by colonial legacies and the Intellectual Property Act No. 52 of 1979. However, the advent of the World Trade Organization (WTO) and its Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) in 1994 compelled Sri Lanka, like many other states, to modernise its intellectual property regime<sup>3</sup>. The Intellectual Property Act No. 36 of 2003 ("IP Act 2003") was enacted with the explicit aim of bringing the country into compliance with TRIPS obligations, while consolidating protection across patents, designs, geographical indications, and trademarks.<sup>4</sup>

The 2003 Act marked a significant leap forward. It broadened the definition of trademarks<sup>5</sup>, explicitly recognised service marks<sup>6</sup>, introduced statutory protection for well-known marks<sup>7</sup>, codified unfair

competition rules<sup>8</sup>, and laid down a comprehensive enforcement framework<sup>9</sup>. These changes placed Sri Lanka within the mainstream of global IP law. Yet the existence of a modern statute does not automatically translate into effective protection. On-the-ground challenges including delays at the National Intellectual Property Office (NIPO), the persistence of counterfeit goods in local markets, and evidentiary difficulties for foreign rights-holders limit the efficacy of the system<sup>10</sup>. Moreover, doctrinal questions such as the scope of non-traditional marks and the treatment of parallel imports remain unresolved<sup>11</sup>, leaving brand owners uncertain about the contours of their rights.

This paper examines Sri Lanka's trademark law and its role in product branding. It does so in six parts. First, it analyses the doctrinal framework under the 2003 Act. Second, it situates Sri Lanka's regime within the international and comparative context. Third, it considers the "law in action" how enforcement mechanisms operate in practice. Fourth, it identifies research gaps and unresolved issues. Fifth, it

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Lanka for identical or similar goods or services of a third party, or such mark or trade name is well known and registered in Sri Lanka for goods or services which are not identical or similar to these in respect of which registration is applied for, provided in the latter case the use of the mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the well known mark and that the interests of the owner of the well known mark are likely to be damaged by such use ;

8 Chapter XXXII Unfair Competition and Undisclosed Information

9 Sections 170-174

10 Chamila Talagala, 'Enforcement of Intellectual Property Rights in Sri Lanka: Some Issues' (2012) SSRN <http://dx.doi.org/10.2139/ssrn.2136251> accessed 5 November 2025.

11 Wathsala Ravihari Samaranayake, 'The Concepts of Exhaustion and Parallel Importation in the Context of Trademark Rights: Sri Lankan and Comparative Perspectives' (2020) 28 Sri Lanka JIL 37.

3 Althaf Marsoof, 'TRIPS Compatibility of Sri Lankan Trademark Law' (2012) 15(1) J World Intell Prop 51.

4 *ibid.*

5 Section 101 defines a *mark* to include "any visible sign capable of distinguishing the goods or services of one enterprise from those of another." Section 102(1) states that a *trademark* may consist of "any sign, or combination of signs, capable of distinguishing the goods or services of one enterprise from those of another," including "words, names, letters, numerals, figurative elements, and combinations of colours."

6 Section 102(1) again covers *goods or services*, thereby expressly recognising service marks, which were previously unprotected under the earlier law.

7 Section 104(1)(d) if it is identical with, or misleadingly similar to, or constitutes or translation or transliteration or transcription of a mark or trade name which is well known in Sri

offers policy recommendations to strengthen the system. Finally, it concludes that Sri Lanka's law is doctrinally robust but practically under-implemented, and that targeted reforms could better align the law with its economic and social objectives.

## Doctrinal Framework

Section 101 of the IP Act 2003 defines a trademark as "any visible sign serving to distinguish the goods or services of one enterprise from those of another".<sup>12</sup> This formulation adheres to classical conceptions of trademarks as visible identifiers words, logos, symbols, designs, combinations of colours, and packaging. Crucially, it excludes non-visual signs, such as sound, scent, or tactile marks. This is increasingly anomalous in global perspective: jurisdictions such as the European Union, United States, and India permit the registration of non-traditional marks where they can be represented graphically or by modern technological means. The exclusion of non-visual signs narrows the scope of protection available in Sri Lanka and may be seen as outdated.<sup>13</sup> As branding evolves to include sonic logos (for instance, the Intel jingle) or distinctive scents, Sri Lankan law offers no statutory route for their registration. Firms must therefore rely on unfair competition or passing off to prevent misappropriation, leaving them with weaker protection. Reform in this area could modernise Sri Lanka's regime and align it with global practices.<sup>14</sup>

Absolute grounds for refusal under Section 103 are broadly consistent with TRIPS Article 15. Marks that are descriptive, generic, misleading, or contrary to public order or morality cannot be registered. For example, a term such as "Sri Lankan Tea" for tea products would be rejected as generic. Functional shapes dictated by the nature of the goods or necessary to obtain a technical result are similarly excluded, preventing firms from monopolising product functionality through trademark law.<sup>15</sup> Relative grounds for refusal under Section 104 protect prior rights. The Registrar must refuse an application where the mark is identical or confusingly similar to an existing unregistered mark used in Sri Lanka, provided the applicant knew or could not have been unaware of the prior use.<sup>16</sup> This provision prevents bad-faith applications but also acknowledges that unregistered rights, particularly in a developing country where many businesses operate informally, deserve protection. Section 104 (d) extends protection to well-known marks in conformity with the Paris Convention (Article 6bis) and TRIPS, even where not registered locally where the mark is used on identical or similar goods or services. In practice, however, proving a mark is well-known in Sri Lanka has posed difficulties for foreign brand owners, as courts demand evidence of recognition among local consumers.<sup>17</sup>

Sri Lanka follows a first-to-file system. Unlike in the United States, prior use is not necessary for registration, though non-

12 Intellectual Property Act No 36 of 2003 (Sri Lanka) s 101.

13 KAA N Thilakarathna, 'The Protection Afforded to Well-Known Trademarks in Sri Lanka: a Critical Analysis' (2018) KDU-Repository <https://ir.kdu.ac.lk/handle/345/2565> accessed 5 November 2025.

14 Irene Calboli and Jane C Ginsburg (eds), *The Cambridge Handbook of International and Comparative Trademark Law* (CUP 2020) pt III.

15 Annette Kur and Martin Senftleben, *European Trade Mark Law: A Commentary* (OUP 2017) 215–222.

16 Intellectual Property Act 2003, s 104.

17 *A trademark should be well known: The battle of Dunkin Donuts' MUNCHKINS vs Sri Lanka's Munchkin* (Daily FT, 19 August 2020) <https://www.ft.lk/business/A-trademark-should-be-well-known-The-battle-of-Dunkin-Donuts-MUNCHKINS-Vs-Sri-Lanka-s-Munchkin/34-704805> accessed 5 November 2025.

use can lead to cancellation. Rights are conferred through registration at NIPO, with a ten-year term renewable indefinitely.<sup>18</sup> This system incentivises early filing but risks disadvantaging local businesses who may lack resources or awareness to register promptly. It also raises issues of "trademark squatting,"<sup>19</sup> where opportunistic actors register marks associated with foreign firms not yet operating in Sri Lanka. Applications undergo formal examination, followed by substantive examination for distinctiveness and conflicts. Accepted applications are published in the Gazette, with a three-month opposition period. Only parties with a "legitimate interest" may oppose, in contrast to jurisdictions that allow any person to file opposition. This narrower standing requirement seeks to balance efficient administration with protection of genuine interests. Successful registrations confer exclusive rights to use and enforce the mark for specified goods or services.

The IP Act provides a wide arsenal of remedies. Civil actions may yield injunctions, damages, or an account of profits. Criminal penalties exist for willful infringement, with imprisonment up to six months or fines up to LKR 500,000 for first-time offences, and higher penalties for recidivism.<sup>20</sup> Customs authorities can seize counterfeit goods at the border, and police units have mandates to investigate IP crimes. Passing off and unfair competition provide additional avenues, particularly for unregistered marks.<sup>21</sup>

<sup>18</sup> Section 119 of the Intellectual Property Act No. 36 of 2003.

<sup>19</sup> Trademark squatting refers to the situation where a third party registers or otherwise obtains rights in a trademark (or sign) that is identical or similar to the mark of a prior rights-holder, often without the intention to use it legitimately.

<sup>20</sup> Section 184.

<sup>21</sup> Intellectual Property Act No 36 of 2003 (as amended 2024) sections 160–163.

## International Alignment and Comparative Perspective

The 2003 Act was drafted with TRIPS compliance in mind. TRIPS requires that "any sign... capable of distinguishing goods or services" be eligible for registration, subject to requiring visual perceptibility.<sup>22</sup> Sri Lanka's restriction to visible signs, though conservative, is defensible under this allowance. TRIPS also obliges members to provide at least seven years' protection renewable indefinitely; Sri Lanka provides ten, exceeding the minimum. Protection for well-known marks and incorporation of unfair competition rules reflect Paris Convention obligations. As of 2025, Sri Lanka is not a member of the Madrid Protocol<sup>23</sup> but has committed to accession. Amendments to the IP Act in 2022 were passed to enable accession, and NIPO is upgrading its systems in anticipation.<sup>24</sup> Madrid accession will benefit domestic firms by providing cost-effective international registrations and foreign firms by simplifying filings in Sri Lanka. It will also impose discipline on NIPO, which must process international designations within 18 months or face automatic registration. Comparators such as India (which joined Madrid in 2013) show that accession increases foreign filings and places pressure on local offices to modernise.

India's Trade Marks Act 1999 provides an instructive comparison for Sri Lanka. It adopts a more expansive approach to the definition of trademarks by expressly recognising sound marks and, through practice, permitting registration of other non-

<sup>22</sup> TRIPS Agreement 1994, art 15.

<sup>23</sup> National Intellectual Property Office of Sri Lanka, 'Trademarks' (NIPO Sri Lanka) [https://www.nipo.gov.lk/web/index.php?Itemid=146&id=15&lang=en&option=com\\_content&view=article](https://www.nipo.gov.lk/web/index.php?Itemid=146&id=15&lang=en&option=com_content&view=article) accessed 5 November 2025.

<sup>24</sup> WIPO, *Guide to the International Registration of Marks under the Madrid Protocol* (2023).

traditional marks.<sup>25</sup> This reflects a willingness to adapt to modern branding strategies in sectors like entertainment and technology, where non-visual signs increasingly serve as brand identifiers. In addition, the Indian statute expressly provides for international exhaustion of rights, which means that once goods are placed on the market anywhere in the world with the trademark owner's consent, the proprietor cannot prevent their import into India.<sup>26</sup> This approach favors consumer choice and price competition, though it limits the ability of trademark owners to segment markets geographically.<sup>27</sup> Sri Lanka, by contrast, has enacted modern and comprehensive substantive trademark law, but its administrative and enforcement structures have not kept pace with the legislative reforms. While the statutory text meets international standards and provides a strong doctrinal basis for protection, in practice the registration process is marked by long delays, limited examiner capacity, and incomplete digitisation.<sup>28</sup> Rights-holders often wait years before obtaining certificates of registration, which weakens the utility of trademarks as timely business tools. Enforcement, too, suffers from under-resourced institutions, limited coordination between Customs, police, and courts, and penalties that fail to create a strong deterrent against counterfeiting.

This divergence underscores that doctrinal reform alone is insufficient to ensure effective brand protection. Intellectual property systems rely not only on robust statutes but also on

efficient institutions, trained personnel, and predictable enforcement mechanisms. Without parallel investment in administrative infrastructure, judicial expertise, and inter-agency collaboration, even the best-drafted laws remain underutilized. For Sri Lanka, the lesson is clear: aligning with international treaties is a necessary first step, but sustained institutional strengthening is essential to transform formal compliance into practical effectiveness.

## Enforcement and Practice

The average registration timeline in Sri Lanka is three to five years, sometimes extending up to a decade.<sup>29</sup> Such delays undermine confidence in the system. By the time a mark is registered, the commercial opportunity may have passed. Delays in trademark registration in Sri Lanka stem primarily from examiner shortages, reliance on manual processes, and long-standing backlogs, which collectively erode the efficiency of the system. Although recent digitisation initiatives show promise, the reforms remain partial and insufficient to transform the applicant experience. The forthcoming accession to the Madrid Protocol may serve as a powerful catalyst for deeper reform, since compliance with its 18-month processing timeline will require NIPO to modernise procedures and expand capacity. At the same time, the enforcement environment remains fragile. Counterfeit goods from luxury apparel and consumer electronics to pharmaceuticals continue to circulate widely in domestic markets, undermining consumer safety and the credibility of legitimate businesses. Despite the existence of criminal penalties, enforcement is inconsistent: courts rarely impose custodial sentences, fines imposed are often nominal in relation to the

25 See Trademark Rules of 2017,

26 Sections 30 (3) and 30 (4) of the Indian Trademarks Act of 1999

27 Graeme B Dinwoodie and Mark D Janis, *Trademarks and Unfair Competition* (6th edn, Aspen 2023).

28 *Facilitating the Registration of Trademarks: A Step towards Creating Internationally Recognised Sri Lankan Brands* (Verité Research, February 2017) [https://www.veriteresearch.org/press\\_releases/facilitating-trademark-registration/](https://www.veriteresearch.org/press_releases/facilitating-trademark-registration/) accessed 5 November 2025.

29 Althaf Marsoof, Kanchana Kariyawasam and Chamila Talagala (eds), *Reframing Intellectual Property Law in Sri Lanka* (Springer 2022) 83–89

profits generated by infringement and thus do little to deter repeat offenders. Police and customs units, though mandated to act, are hampered by limited resources, inadequate training, and poor inter-agency coordination. Enforcement tends to be reactive, initiated only upon complaints by brand owners, rather than proactive and systematic. The cumulative effect is a thriving counterfeit economy that not only weakens consumer trust and damages brand value but also discourages foreign investors who require predictable protection of their intellectual property assets.

The case law illustrates the difficulties foreign firms face. In the *Munchkins* case, Dunkin' Donuts attempted to enforce rights in its globally famous mark against a local bakery. The court refused relief, holding that the mark was not well-known in Sri Lanka at the relevant time.<sup>30</sup> The decision reflects a strict territorial approach, privileging local entrepreneurs over foreign corporations absent evidence of local reputation. While defensible, this approach risks undermining global brand owners' confidence in Sri Lanka's IP system.

## Research Gaps

A first research gap lies in the relationship between trademarks and small and medium enterprises (SMEs) in Sri Lanka. While it is widely acknowledged that SMEs form the backbone of the domestic economy, there is very little empirical data on their engagement with trademark law. Questions remain as to how many SMEs seek to register trademarks, whether they understand the benefits of brand protection, and what barriers financial, procedural, or informational limit their access to the system.<sup>31</sup> Without such data, policymakers risk tailoring reforms primarily

to the needs of foreign investors and large corporations, while overlooking the vast number of domestic businesses that could benefit most from brand protection.

A second gap concerns enforcement outcomes and metrics. Although counterfeiting is recognised as a significant problem, there is no publicly available data on the number of raids, prosecutions, civil suits, and customs seizures each year, nor on the average time to resolve cases.<sup>32</sup> Comparative research from other developing jurisdictions shows that such metrics are critical in identifying where enforcement breaks down whether at the investigation stage, during trial, or at the enforcement of remedies. In the absence of such evidence, reform efforts are guided more by anecdote than by robust analysis, leaving brand owners uncertain as to the efficacy of legal remedies.

A third and increasingly significant gap concerns the adaptation of Sri Lankan law to the digital economy and new technologies. Trademark law has traditionally dealt with physical goods and services, but disputes are now emerging globally in relation to domain names, online marketplace counterfeiting, keyword advertising, and non-fungible tokens (NFTs).<sup>33</sup> Sri Lanka has not yet developed case law or statutory guidance in these areas, leaving rights-holders uncertain about the applicability of existing doctrines. Similarly, the introduction of a *sui generis* system for geographical indications (GIs) in 2022 raises questions about coexistence and conflict with trademarks, which remain unexplored. This highlights the need for forward-looking research to ensure the regime remains relevant in a rapidly evolving global marketplace.

<sup>30</sup> Varners, 'The Case of the (Not So) Well-Known Trademark' (2020) note on *Munchkins*.

<sup>31</sup> Susy Frankel, *Intellectual Property and Development* (Edward Elgar 2019) ch 5.

<sup>32</sup> World Bank, *Enforcing Intellectual Property Rights in Developing Countries* (2019) ch 3.

<sup>33</sup> W R Samaranayake, 'Taming NFTs with Trademark Law Tools' (2024) 14(4) *JIPITEC* 414.

## Policy Recommendations

The first policy recommendation is to strengthen institutional capacity at the National Intellectual Property Office. Full digitisation of applications, renewals, and opposition procedures is urgently required to reduce backlogs, improve transparency, and meet international service standards. Digitisation should be accompanied by the recruitment and training of additional examiners, the establishment of service benchmarks, and the publication of pendency statistics. Preparing for accession to the Madrid Protocol should provide a strong incentive to modernise, since failure to meet the 18-month timeline for processing international designations would undermine Sri Lanka's credibility within the international system.

A second recommendation is to clarify and expand the substantive scope of trademark protection. Section 122(b) of the IP Act should be amended to state unambiguously whether Sri Lanka follows national or international exhaustion, with clear exceptions for public health and safety. The statutory definition of trademarks should also be modernised to accommodate non-traditional marks such as sound and motion marks, provided they meet distinctiveness and representation requirements. Explicit recognition of trade dress as a protectable category would provide brand owners with greater certainty and align Sri Lanka with jurisdictions such as the EU and US that have already developed robust trade-dress jurisprudence.

A third recommendation focuses on enforcement and SME support. Penalties for counterfeiting should be recalibrated, with mandatory minimum fines proportionate to the scale of infringement, coupled with improved inter-agency coordination between Customs, police, and the judiciary. Establishing a customs recordation system for trademarks would empower authorities to act proactively

against counterfeit imports. At the same time, SMEs should receive targeted assistance through fee waivers, IP clinics, and awareness campaigns, ensuring that the benefits of brand protection are not limited to large or foreign firms. Clear guidance on the coexistence of GIs and trademarks would further safeguard national branding strategies, particularly for export products such as Ceylon tea and cinnamon.

## Conclusion

Sri Lanka's trademark law is doctrinally sound and internationally compliant. It provides protection for conventional marks, service marks, well-known marks, and unfair competition, and offers civil, criminal, and border remedies that meet or exceed TRIPS requirements. These features position the framework as broadly consistent with international best practice and capable, in principle, of fostering investor confidence and consumer trust. The legal system thus supplies the tools needed for businesses to secure their brands, deter infringement, and leverage intellectual property as a driver of economic growth.

Yet the law in action reveals persistent shortcomings. Administrative delays at the National Intellectual Property Office slow down registrations, weak enforcement undermines deterrence against counterfeiting, and unresolved doctrinal questions such as the scope of exhaustion or recognition of non-traditional marks create uncertainty. With accession to the Madrid Protocol imminent, Sri Lanka faces both challenges and opportunities: it must modernise administration, clarify ambiguities, and reinforce enforcement. Achieving this would not only harmonise the system with global norms but also support domestic entrepreneurs, attract foreign investment, and enhance consumer confidence. Bridging the gap between doctrine and practice is therefore essential if trademarks

are to fully serve their role as engines of branding and national development.

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