

Unfair Competition Law – Additional Minimum Standards

Sponsoring Committee: Unfair Competition Committee

September 14, 2021

RESOLUTION:

WHEREAS, under Articles 10*bis* and 10*ter* of the Paris Convention, contracting parties are obligated to provide protection against unfair competition, and to ensure appropriate legal remedies. These obligations are reinforced by Article 2 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) that obligates parties to comply with the Paris Convention;

WHEREAS, the INTA Board of Directors approved in March 1998 resolutions on [comparative advertising](#) and on [unfair competition law](#) encouraging adoption of specific legislation implementing Article 10*bis* of the Paris Convention, or equivalent legislation;

WHEREAS, in November 2007, the INTA approved Model Law Guidelines that included a section on unfair competition urging countries to adopt, at a minimum, Article 10*bis* of the Paris Convention;

WHEREAS in July 2019, INTA adopted a [revised version of the Model Trademark Law Guidelines](#) that urges countries to adopt specific national laws containing provisions that as a minimum protect against acts of unfair competition as follows:

1. Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.
2. The following in particular shall be prohibited:
 - a. All acts of such a nature as to create confusion by any means whatsoever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
 - b. False allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
 - c. Indications or allegations the use of which in the course of trade is liable to mislead the public and/or relevant consumers as to the

nature, the manufacturing process, the characteristics, the suitability for their purpose, the quantity, or the quality, of the goods;

- d. Public comparison of one's own, or a third party's, activity, commercial benefits or establishment with those of a third party, when said comparison uses incorrect or false indications or assertions, or omits material facts to create a false or misleading conclusion;

and

WHEREAS, many countries which are parties to the Paris Convention and the TRIPS Agreement still provide no, inadequate, or unclear protection against unfair competition under their laws;

BE IT RESOLVED, that the International Trademark Association encourages countries to provide for comprehensive legislation on unfair competition as provided in INTA's 2019 Model Trademark Law Guidelines, while not unduly restricting trade and competition, and supporting creativity and developments in marketing and advertising;

BE IT FURTHER RESOLVED, that the International Trademark Association recommends that all countries adopt unfair competition laws which are sufficiently flexible to capture acts of unfair competition that occur via new and evolving practices and developments in trade, advertising, and media. Such new and evolving practices may include, for example:

- typo-squatting,
- use of trademarks and other protected designations in expressive content (such as games, motion pictures, videos, or memes),
- ambush marketing,
- tampering with labels, barcodes, or other means or devices to identify or trace the source or origin of goods and services;
- use of trademarks and other protected designations by way of keyword advertising or metatags, and
- advertising through blogs, vlogs, or influencer marketing.

BE IT FURTHER RESOLVED, that the section regarding unfair competition in INTA's Model Trademark Law Guidelines 2019, paragraph 2 a, b and c should be amended to include "services" (i.e., "of goods *or* services." or "the goods, the services, or the industrial or commercial activities");

BE IT FURTHER RESOLVED, that the section regarding unfair competition in INTA's Model Trademark Law Guidelines 2019, should be amended to add the following as paragraph 3:

Provisional and final remedies shall be provided for unfair competition by adopting:

- a. Part III of the TRIPS Agreement, *mutatis mutandis*, so as to permit, among other things, effective action against any act of unfair competition as well as fair and equitable proceedings which shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays, including but not limited to the right to
 - i. Preliminary and permanent injunctive relief;
 - ii. Monetary damages;
 - iii. Obtain sufficient information about the extent of the unfair competition and the identity of third persons involved;
 - iv. Civil sanctions, flanked by criminal and administrative procedures where applicable.
- b. The following supplemental remedies:
 - i. Goods found to be in violation of unfair competition laws shall not be permitted to be circulated into channels of commerce without appropriate modification;
 - ii. Search and seizure remedies shall be available as provisional remedies where appropriate;
 - iii. Product recall shall be available where, in the absence of recall, there is a risk to life, health or safety or where recall is not unduly onerous for the person engaging in the acts of unfair competition. Other corrective action shall be available where, in the absence of correction, there is an on-going risk of harm from the continuing effects of the act of unfair competition.

BACKGROUND:

The demands of a globalized and increasingly digital world, with a clear tendency toward a market where free competition prevails, require governments to regulate the basic rules of the markets and the way in which companies compete.

Considering the importance of unfair competition laws in the overall protection of trademark rights or other rights that are closely tied with trademarks or the business origin of goods or services as identified by a consumer in the market, it is imperative to continuously evaluate the minimum standards INTA would like to see countries adopt in

the protection of such rights, whether it be directly through trademark infringement laws or through laws in related fields, such as unfair competition.

The Paris Convention for the Protection of Industrial Property of March 20, 1883 as being lastly amended on September 28, 1979, is the oldest international convention on intellectual property rights which is still in force, and since its incorporation by Article 2 of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) which came into effect on January 1, 1995 it is now also binding to all members of the World Trade Organization (WTO). Since July 29, 2016, the WTO has 164 Member States, and currently 25 Observer Governments who may start accession negotiations soon.

Article 10*bis* of the Paris Convention provides that:

- (1) *The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.*
- (2) *Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.*
- (3) *The following in particular shall be prohibited:*
 - (i) *all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;*
 - (ii) *false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;*
 - (iii) *indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.*

Furthermore, Article 10*ter* (1) of the Paris Convention provides that:

- (1) *The countries of the Union undertake to assure to nationals of the other countries of the Union appropriate legal remedies effectively to repress all the acts referred to in [Articles 9, 10, and 10bis](#).*

The Unfair Competition Committee (UCC) during its last and the current term has prepared and analyzed numerous reports and surveys¹, and drafted unfair competition

¹ For example, during its 2016-17 term, the Unfair Competition Committee conducted a survey regarding protection around the world for various acts of unfair competition. The survey investigated the extent to which

model law guidelines. Upon consolidation of that research, some of the conclusions from the research include:

- Very basically, many countries provide protection against unfair competition based on the general provision of Article 10*bis* of the Paris Convention, quoted above;
- Some countries do not have specific acts/statutes against unfair competition at all;
- Catch-all-clauses (such as that included as paragraph 2 of Art. 10*bis*) to capture acts of unfair competition may have the advantage of broadly including newly developed forms of conduct, but are vague and at times require detailed interpretation, leaving stakeholders insecure about their own or competitors' conduct;
- Legislation should include rules on comparative advertising;
- Acts of unfair competition other than those set forth in Article 10*bis* to be addressed should include the unfair imitation of goods. Additionally, considering that trade, advertisement and media practices are constantly evolving, it is important that unfair competition laws and regulations are sufficiently flexible to capture acts of unfair competition that may occur via these new and evolving practices and developments. Some of these new and evolving practices may include, without limitations, typo-squatting, use of trademarks and other protected designations as expressive content (such as games, motion pictures, videos, or memes), ambush marketing, tampering with labels, barcodes, or other means or devices to identify or trace the source of origin of goods and services, use of trademarks and other protected designations by way of keyword advertising or metatags, and advertising through blogs, vlogs, or influencer marketing; and
- With regard to remedies, as a minimum set of standards, provisional and final remedies should be provided for by adopting *mutatis mutandis* Part III of the TRIPs agreement, which includes (1) civil and administrative sanctions set forth in Articles 41 to 50; (2) border measures set forth in Articles 51 to 60; and (3) criminal sanctions set forth in Article 61. The supplemental remedies we propose to add as paragraph 3 of the Model Trademark Law Guidelines 2019 go beyond the minimum standards of Part III of the TRIPs agreement based on the reports and surveys conducted by the UCC.²

countries protect against certain violations of unfair competition, which remedies they grant and where additional protections are needed.

² The proposed paragraph 3(b)(i) updates the [1996 INTA Board Resolution on Part III of TRIPs](#) to reflect the current practice allowing unfairly competitive goods to be reintroduced into commerce after they have been modified so as to be in compliance with law.

Based on these conclusions, the Policy Subcommittee of the Unfair Competition Committee requests that the Board adopt the above Resolution to advocate for the adoption of additional minimum standards and remedies.

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