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DOI
10.1093/jiplp/jpad122

Publication date
2024

Document Version
Final published version

Published in
Journal of Intellectual Property Law & Practice

Article 10*bis* of the Paris Convention as the common denominator for protection against unfair competition in national and regional contexts

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Abstract

- This article explains the historical development of Article 10*bis* of the Paris Convention and discusses core concepts underlying the international provision, in particular, the overarching requirement of honest practices in industrial or commercial matters, the question of a competitive relationship and the examples of unfair practices given in Article 10*bis*. It also sheds light on guidance following from the *Model Provisions on Protection Against Unfair Competition* which the World Intellectual Property Organization presented in 1996.
- The analysis shows that the honest practices test need not be understood in a traditional, empirical sense. More modern, functional approaches can be adopted to align the application of Article 10*bis* with a broader spectrum of policy goals: not only fair play between competitors but also consumer protection and the general public interest in a well-functioning marketplace. Similarly, the requirement of a competitive relationship need not focus on direct competition in the same market segment. An indirect competitive relationship can be deemed sufficient.
- While the prohibited acts listed in Article 10*bis*(3) reflect central categories of unfair behaviour and harm, current developments and challenges—ranging from computational advertising, influencer marketing and product recommender systems to questions surrounding data exclusivity and sustainability issues—raise the question whether an update and enrichment of the catalogue of prohibited acts could be necessary to provide guidance at the international level.

1. Introduction

This article sets the scene for this special issue by exploring the origins and meaning of Article 10*bis* of the Paris Convention for the Protection of Industrial Property ('Paris Convention'), which obliges Paris Union Members, as well as WTO Members, to provide effective protection against acts of unfair competition.[1] It commences in Section 2 by tracing the historical development of Article 10*bis* from the start of the 20th century. Section 3 then discusses the core concept of 'honest practices in industrial or commercial matters' contained in Article 10*bis*(2). The question of the need for a 'competitive relationship' is addressed in Section 4 before a consideration in Section 5 of the

1 The article is based on the author's earlier analysis of Article 10bis of the Paris Convention in: MRF Senftleben (ed), *Status Report on Protection Against Unfair Competition in WIPO Member States*, WIPO Document WIPO/STRAD/INF/8 (Geneva: World Intellectual Property Organization 2022) 11–22, available at https://www.wipo.int/sct/en/wipo-strad/ (last visited on 5 January 2024).

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doi:https://doi.org/10.1093/jiplp/jpad122
Advance Access Publication 18 January 2024

examples of prohibited unfair acts in Article 10*bis*(3). Section 6 explores potential additional unfair acts that may require interventions to provide sufficient protection against unfair competition. Section 7 offers concluding remarks.

2. Historical development of Article 10*bis*

Protection against unfair competition has been recognized as an element of industrial property protection for more than a century.[2] In 1900, the Brussels Conference for the Revision of the Paris Convention agreed that '[n]ationals of the Convention […] shall enjoy, in all States of the Union, the protection granted to nationals against unfair competition'.[3] The new international norm was laid down in Article 10*bis*. Subsequent diplomatic conferences went beyond the principle of national treatment.[4]

The 1911 Revision Conference of Washington reached agreement on an obligation among convention countries to assure effective protection.[5] In 1925, the Revision Conference of The Hague defined this obligation in more specific terms by introducing a definition and two examples of acts of unfair competition in Article 10*bis*. The first example clarified that all acts creating confusion with the products of a competitor must be prohibited. Pursuant to the second example, false allegations discrediting the products of a competitor had to be regarded as forbidden acts of unfair competition.[6] At the 1934 London Conference, the scope of these examples was broadened by replacing the reference to a competitor's products with the formula of 'the establishment, the goods, or the industrial or commercial activities of a competitor'.[7] A proposal by Germany seeking to prohibit certain forms of comparative advertising did not meet with the approval.[8] A proposal tabled by Denmark, France, Norway, Sweden and Switzerland which aimed to prohibit false allegations referring to the origin, nature, manufacture, sale of products or the quality of the commercial establishment or to industrial awards was also rejected.[9] At the 1958 Lisbon Conference, however, a similar proposal by Austria was adopted, which led to the incorporation of a further example of acts of unfair competition, namely, acts concerning indications or allegations liable to mislead the public as to the nature, manufacturing process, characteristics, suitability for their purpose or quantity of the goods.[10]

The present text of Article 10*bis* mirrors the outlined stages of development.[11] Article 10*bis*(1) sets forth the obligation to ensure effective protection against unfair competition. In Article 10*bis*(2), acts of unfair competition are defined as '[a]ny act of competition contrary to honest practices in industrial or commercial matters'. Article 10*bis*(3) contains the aforementioned examples of acts, which, in particular, must be prohibited: (i) the causing of confusion with respect to a competitor's establishment, goods or activities; (ii) the discrediting of a competitor's establishment, goods or activities and (iii) the misleading of the public as to the nature or other characteristics of one's own goods. The provisions of Article 10*bis* are supplemented by Article 10*ter*, which provides for appropriate legal remedies capable of effectively repressing acts of unfair competition.

It is important to note that by virtue of the reference in Article 2(1) of the Agreement of Trade-Related Aspects of Intellectual Property ('TRIPS Agreement'), Article 10*bis* of the Paris Convention also creates an obligation among WTO Members to ensure protection against unfair competition. In *Australia—Tobacco Plain Packaging*, the Panel of the World Trade Organization's Dispute Settlement Body clarified that, with regard to the obligation of WTO Members to implement Article 10*bis*, no distinction could be made between acts of unfair

2 For a brief overview of the historical development, see S Ricketson *The Paris Convention for the Protection of Industrial Property—A Commentary* (Oxford: Oxford University Press 2015) [13.37]–[13.43]; GHC Bodenhausen *Guide to the Application of the Paris Convention for the Protection of Industrial Property* (Geneva: BIRPI 1969) 142–143. A detailed description is given by S Ladas *Patents, Trademarks, and Related Rights—National and International Protection, Volume III* (Cambridge, MA: Harvard University Press 1975) 1678–1685.

3 Union internationale pour la protection de la propriété industrielle, *Actes de la Conférence réunie à Bruxelles du 1er au 14 décembre 1897 et du 11 au 14 décembre 1900* (1901) 164 (proposal by France), 187–88, 310, 382–83 (discussion and adoption).

4 The principle of national treatment as such does not impose an obligation on the Members of the Paris Union to afford protection against acts of unfair competition. cf Ladas (n 2) 1678.

5 Union internationale pour la protection de la propriété industrielle, *Actes de la conférence réunie à Washington du 15 mai au 2 juin 1911* (1911) 53 (proposal), 105, 224, 255, 305, 310 (observations and adoption).

6 Union internationale pour la protection de la propriété industrielle, *Actes de la conférence réunie à La Haye du 8 octobre au 6 novembre 1925* (1926) 252, 255 (proposal), 348, 351, 472, 478, 525, 546–47, 578, 581 (observations and adoption).

7 Union internationale pour la protection de la propriété industrielle, *Actes de la conférence réunie à Londres du 1er mai au 2 juin 1934* (1934) 197–98 (proposal), 418–19 (discussion and adoption).

8 ibid 419.

9 ibid.

10 Union internationale pour la protection de la propriété industrielle, *Actes de la conférence réunie à Lisbonne du 6 au 31 octobre 1958* (1963) 725, 784 (proposal by Austria), 106, 118, 725–27, 789–90, 852 (discussion and adoption).

11 cf F Henning-Bodewig, 'International Protection against Unfair Competition – Art 10*bis* Paris Convention, TRIPS and WIPO Model Provisions' (1999) 30 *IIC* 166, 170–73.

competition relating to trademarks, geographical indications or other specific categories of intellectual property and other acts of unfair competition. As no such distinction could be found in Article 10*bis*, effective protection against unfair competition had to be ensured without further qualification.[12] In particular, the term 'in respect of' in the first sub-clause of Article 2(1) of the TRIPS Agreement did not have the effect of conditioning the scope of the incorporation of the obligation under Article 10*bis* of the Paris Convention to cover only those acts of unfair competition that relate to the types of subject matter addressed in Parts II, III or IV of the TRIPS Agreement.[13] The reference to Article 10*bis* of the Paris Convention in Article 2(1) of the TRIPS Agreement thus encompasses the repression of unfair competition as an object of the Protection of Industrial Property in a general sense—without inherently limiting the international obligation to acts relating to intellectual property rights or other subject matter dealt with in the TRIPS Agreement.

3. Honest practices in industrial or commercial matters

Article 10*bis* of the Paris Convention establishes a flexible, open and minimum standard of protection against unfair competition.[14] At the core of this overarching provision lies the open-ended concept of 'honest practices in industrial or commercial matters', on which the definition of acts of unfair competition in Article 10*bis*(2) rests.

Traditionally, a line is drawn between the concept of 'honest practices' and empirical standards referring to behavioural norms of fairness and decency that have evolved in a given community.[15] In *Australia—Tobacco Plain Packaging*, the WTO Panel concluded in this vein that an act of competition could be deemed contrary to honest practices 'if it is done in a manner that is contrary to what would usually or customarily be regarded as truthful, fair and free from deceit within a certain market'.[16] However, the Panel conceded that this empirical approach culminates in a concept of 'honest practices' that depends on time and market parameters: the way in which commercial matters 'are habitually carried out is likely to vary from market to market and change over time'.[17] The perceptions of, and standards for, determining honesty in industrial or commercial matters can thus differ from market to market and country to country—as the articles in this special issue demonstrate.[18] There may be 'some diversity in how domestic legal systems approach the repression of unfair competition and what types of acts they cover'.[19]

In the 1994 Study *Protection Against Unfair Competition: Analysis of the Present World Situation* tabled by the World Intellectual Property Organization ('1994 WIPO Study'), the elasticity of empirical approaches to 'honest practices in industrial or commercial matters' was described as follows:

> It is true that describing unfair competition as acts contrary to "honest trade practices", "good faith" and so on does not make for clear-cut, universally accepted standards of behavior, since the meaning of the terms used is rather fluid. The standard of "fairness" or "honesty" in competition is no more than a reflection of the sociological, economic, moral and ethical concepts of a society, and may therefore differ from country to country (and sometimes even within a country). That standard is also liable to change with time.[20]

The impact of individual market circumstances, however, is not the only aspect of an empirical approach that may require particular attention. The empirical approach has also been criticized by commentators as being imprecise. It is argued that the determination of relevant behavioural standards strongly depends on how the trade circle is defined whose customs and habits are taken as a basis for the analysis. Moreover, it is asserted that trade circles whose business practices serve as a reference point for determining honest practices de facto shape the legal standards, in the light of which their own behaviour is to be judged.[21]

12 Panel Report, Australia—Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging, WTO Docs WT/DS435/R, WT/DS441/R, WT/DS458/R, WT/DS467/R (9 June 2020) [7.2630].

13 ibid 7.2631; cf WR Meier-Ewert 'The WTO Disputes Regarding Tobacco Plain Packaging – Selected TRIPS Findings from the Panel Stage' in C Heath and A Kamperman Sanders (eds) *Intellectual Property and International Dispute Resolution* (The Hague/London/New York: Kluwer Law International 2019) 211, 241–242. As to more restrictive interpretations in the literature prior to the plain packaging decision of the WTO Panel, see Henning-Bodewig (n 11) 180.

14 Ricketson (n 2) [13.33]; M Pflüger 'Article 10*bis*' in T Cottier and P Véron (eds) *Concise International and European IP Law* (3rd edn, Alphen aan den Rijn: Wolters Kluwer 2015) 298.

15 cf E Ulmer *Das Recht des unlauteren Wettbewerbs in den Mitgliedstaaten der Europäischen Wirtschaftsgemeinschaft*, vol. I (1965) 42–43; cf Ladas (n 2) 1685–86.

16 *Australia—Tobacco Plain Packaging* (n 12) [7.2666].

17 ibid; cf Ricketson (n 2) [13.48].

18 cf Meier-Ewert (n 13) 242–43 and the following articles in this special issue.

19 *Australia—Tobacco Plain Packaging* (n 11) [7.2671]–[7.2672], [7.2675]; cf Ricketson (n 2) [13.34].

20 WIPO, *Protection Against Unfair Competition: Analysis of the Present World Situation*, WIPO Publication No. 725 (Geneva: WIPO 1994) [28–29].

21 cf Pflüger (n 14) 300. For an overview of the discussion, see M Höpperger and M Senftleben 'Protection Against Unfair Competition at the International Level – The Paris Convention, the 1996 Model Provisions and the Current Work of the World Intellectual Property Organization' in

To escape this risk of circularity, it is conceivable to align the concept of 'honest practices' with the objective of ensuring the efficient operation of competition as a core instrument of market economies. Besides the protection of competitors and consumers, the public interest in the efficient functioning of competition—in the sense of protecting market participants' freedom of action and decision—enters the picture.[22] In this vein, the 1994 WIPO Study devoted attention to approaches including 'the protection of the public at large and especially its interest in the freedom of competition'.[23] The flexible formula of honest practices in Article 10*bis*(2) can be understood to offer sufficient room for national legislators and courts to adopt this functional approach.[24] As a consequence, standards of integrity and fairness in the market have to be derived from the requirement to meet certain conditions for safeguarding competition as an institution of a free market economy.[25] This particular view of the concept of 'honest practices' need not exclude ethical, behavioural standards, such as personal responsibility for market actions, respect for the needs of other market participants and regard for the equality of rights in the market. As long as these ethical standards are deemed appropriate to attain the overarching goal of efficient, undistorted competition, they can be embedded in a functional approach without much difficulty.[26]

At the international level, the WTO Panel left room for a purpose-oriented, functional determination of 'honest practices' by recognizing that protection against unfair competition 'serves to protect competitors as well as consumers, together with the public interest'.[27] This approach

> is consistent with Article 7 of the TRIPS Agreement, entitled "Objectives", which reflects the intention of establishing and maintaining a balance between the societal objectives mentioned therein. Consequently, a determination of what amounts to an act that is contrary to honest practices in commercial matters may, depending on the circumstances, reflect a balancing of these interests.[28]

An understanding of 'honest practices' that includes the objective to ensure consumer protection[29] and the broader public interest in a well-functioning marketplace finds additional support in the *Model Provisions on Protection Against Unfair Competition* which WIPO presented in 1996 ('WIPO Model Provisions' or 'WMP').[30] In line with Article 10*bis* of the Paris Convention,[31] the model provisions maintain the concept of 'honest practices'. Pursuant to the general clause of Article 1(1)(a) of the WMP, an act or practice 'that is contrary to honest practices' constitutes an act of unfair competition. However, Article 1(1)(a) of the WMP embeds the traditional formula in a broader context. While, in Article 10*bis*(2) of the Paris Convention, the standard of 'honest practices' applies only to acts of competition, no such restriction is found in Article 1(1)(a) of the WMP. By contrast, it is clarified that 'omission of the requirement that the act be an act of competition makes it clear that consumers also are protected'.[32]

The WMP constitute neither an international treaty nor a 'soft law' instrument. They were presented by the International Bureau of WIPO but not formally adopted by the Assembly of the Paris Union or the General Assembly of WIPO. As their title indicates, they are intended to serve as a model for law-making activities and a reference point for court decisions.[33] The practical consequences of the application of the WMP may therefore be similar to the influence of the joint recommendations that have been adopted in the area of trade mark law,[34] even

RM Hilty and F Henning-Bodewig (eds) *Law Against Unfair Competition—Towards a New Paradigm in Europe?* (Berlin/Heidelberg: Springer 2007) 61, 65–68.

22 cf Pflüger (n 14) 300–01; F Henning-Bodewig, 'A New Act against Unfair Competition in Germany' (2005) 36 *IIC* 421, 426; cf E Ullmann, 'Das Koordinatensystem des Rechts des unlauteren Wettbewerbs im Spannungsfeld von Europa und Deutschland' (2003) *Gewerblicher Rechtsschutz und Urheberrecht* 820, 821 (who speaks of an additional safety net).

23 1994 WIPO Study (n 20) 24–5.

24 cf ibid 11–3, which, on the basis of the international framework, reflects considerations of this nature.

25 cf Ulmer (n 15) 58–9.

26 cf K-N Peifer 'Schutz ethischer Werte im Europäischen Lauterkeitsrecht oder rein wirtschaftliche Betrachtungsweise?' in RM Hilty and F Henning-Bodewig (eds) *Lauterkeitsrecht und Acquis Communautaire* (Heidelberg/Dordrecht/London/New York: Springer 2009) 125. See also L Anemaet, '"Which Honesty Test for Trademark Law? Why Traders" Efforts to Avoid Trademark Harm Should Matter When Assessing Honest Business Practices' (2021) *Gewerblicher Rechtsschutz und Urheberrecht—International* 1025, 1037–38.

27 *Australia—Tobacco Plain Packaging* (n 12) [7.2680].

28 ibid; cf Meier-Ewert (n 13) 243.

29 For an overview of the different positions in the debate on the inclusion of consumer protection, see Ricketson (n 2) [13.36]; Henning-Bodewig (n 11) 170.

30 WIPO, *Model Provisions on Protection Against Unfair Competition*, WIPO Publication No. 832 (WIPO 1996). The Model Provisions had been prepared by the International Bureau of WIPO in the light of the 1994 WIPO Study (n 20).

31 WIPO Model Provisions (n 30) 6, note 1.01; Henning-Bodewig (n 10) 182–83.

32 WIPO Model Provisions (n 30) 10, note 1.06; cf Pflüger (n 13) 297.

33 cf Pflüger (n 14) 297.

34 In the field of trade mark law, three so-called joint recommendations were presented and adopted by the Assembly of the Paris Union and the General Assembly of WIPO. See *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, WIPO publication No. 833 (WIPO 2000); *Joint Recommendation Concerning Trademark Licenses*, WIPO Publication No. 835 (WIPO 2000); *Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, WIPO Publication No. 845 (WIPO 2001). These joint recommendations are available at https://www.wipo.int/publications/en/ (last visited on 5 January 2024); cf C Wichard 'The Joint Recommendation Concerning Protection of Marks, and Other

though their legal status is not the same. On its merits, the WMP seek to provide guidance. By presenting an example of how to implement international obligations in the field of protection against unfair competition appropriately, they contribute to the harmonization of national and regional approaches. They may also promote the development of further international common principles.

4. Competitive relationship

A certain restriction of the scope of Article 10*bis* of the Paris Convention seems to follow from the continuous reference to 'acts of competition'.[35] In both Article 10*bis*(2) and Article 10*bis*(3)(2), the establishment, goods or activities 'of a competitor' are central to the analysis. On the basis of dictionary definitions, the WTO Panel in *Australia—Tobacco Plain Packaging* construed the term 'competition' to mean 'rivalry in the market, striving for custom between those who have the same commodities to dispose of'.[36] The Panel concluded that the term 'act of competition' referred to something 'done by a market actor to compete against other actors in the market'.[37]

Following this approach, the wording of Article 10*bis*(2) and (3) does not seem to preclude a restrictive interpretation requiring direct competition between the party committing the act of unfair competition and the party whose interests are affected. However, it also seems possible to soften the impact of the competition requirement. Going beyond direct competition in the same market segment, a competitive relationship between traders in different branches of industry or trade and even an indirect competitive relationship can be deemed sufficient.[38]

The WMP offer an example of this more flexible approach. As already indicated, the general clause prohibiting acts 'contrary to honest practices' in Article 1(1) of the WMP does not contain any reference to 'acts of competition'.[39] In addition, the requirement of a competitive relationship has been omitted throughout the catalogue of expressly forbidden practices in Articles 2–6. As a result, protection against unfair competition is no longer restricted to relations between competitors. The requirement of a competitive relationship which, as described, can be interpreted more or less restrictively in the context of Article 10*bis* of the Paris Convention has been abandoned in the WMP. Following this approach, protection against unfair competition also becomes available in situations where there is no direct competition between the party who commits an act of unfair competition and the party whose interests are affected by the act.[40]

5. Examples of prohibited acts

The examples in Article 10*bis*(3) of the Paris Convention concern acts of unfair competition, which, in particular, are to be prohibited at the national level.[41] The 1994 WIPO study identified as a common aspect of the examples in Article 10*bis*(3) 'the attempt (by an entrepreneur) to succeed in competition without relying on his own achievements in terms of quality and price of his products and services, but rather by taking undue advantage of the work of another or by influencing consumer demand with false or misleading statements'.[42] As to the purpose of protection, it stated in the light of the reference to the 'competitor' in Article 10*bis*(3)(1) and (2) that 'unfair competition law was initially designed to protect the honest businessman'.[43] Considering the reference to the consuming 'public' in Article 10*bis*(3)(3), it added that, in the meantime, 'consumer protection has been recognised as equally important'.[44]

During the deliberations leading to the adoption of the catalogue of unacceptable forms of behaviour in Article 10*bis*(3), the enumeration was understood not to imply an obligation to enact specific national legislation.[45] Moreover, Article 10*bis*(3) does not limit the ambit of operation of the general definition in para 2. As explained in *Australia—Tobacco Plain Packaging*, the practices enumerated in Article 10*bis*(3) are examples of dishonest practices. They constitute 'an internationally agreed minimum'[46] as regards the types of dishonest practices that must be banned. The list of prototypes of unfair behaviour in para 3 must not detract from the fact that

Industrial Property Rights in Signs, on the Internet' in J Drexl and A Kur (eds) *Intellectual Property and Private International Law*, Oxford and Portland, Oregon: IIC Studies, vol. 24 (2005) 257, 263.

35 cf Ricketson (n 2) [13.47].

36 *Australia—Tobacco Plain Packaging* (n 12) [7.2664].

37 ibid [7.2665], [7.2698].

38 Ricketson (n 2) [13.47]; Pflüger (n 14) 299; Bodenhausen (n 2) 144; Ladas (n 2) 1689.

39 cf Pflüger (n 14) 297.

40 WIPO Model Provisions (n 30) 10, note 1.06; Henning-Bodewig (n 11) 183.

41 Ricketson (n 2) [13.49] (referring to acts which are 'presumptively "unfair"').

42 1994 WIPO Study (n 20) 24 [31].

43 ibid 24 [33].

44 ibid.

45 Actes de La Haye (n 6) 472; cf Pflüger (n 14) 298.

46 *Australia—Tobacco Plain Packaging* (n 12) [7.2678].

> paragraph 2 sets the scope of the definition of "an act of unfair competition" as including "[a]ny" act of competition contrary to honest practices in commercial matters. The countries of the Union are, therefore, bound to provide effective protection against any acts of unfair competition falling within the definition in paragraph 2. This must comprise—–at a minimum—the categories of practices mentioned in paragraph 3.[47]

Considering the preparatory work underlying Article 10*bis*(3), the WTO Panel dealing with the examples of unfair conduct given in this provision was satisfied that while the negotiators did not endeavour to specify other specific categories of practices against which all countries would be bound to assure effective protection, they had the intention of addressing unfair competition *sous toutes ses formes* ('in all of its forms') and that the specific situations identified in para 3 were provided *seulement comme un exemple minimum* ('only as a minimum example').[48]

An analysis of the three 'minimum example[s]' enshrined in Article 10*bis*(3) yields important insights into the international concept of protection. The first example provides evidence of the particular importance the Members of the Paris Union attached to explicit recognition of an unfair competition norm concerning confusion with respect to a competitor's establishment, goods or activities,[49] even though the Paris Convention sets forth specific obligations ensuring protection of typical business and product identifiers, such as trade marks, service marks and trade names.[50] With regard to the underlying concept of 'confusion', the WTO Panel elaborated in *Australia—Tobacco Plain Packaging* that the focus of the prohibition was on acts of such a nature as to create confusion about a competitor's products, establishment or industrial or commercial activities. Considering the ordinary meaning of the word, 'confusion' could be defined as '[t]he confounding or mistaking of one for another; failure to distinguish'.[51] Accordingly, Article 10*bis*(3)(1) may be understood to cover situations 'where an act of unfair competition is of such a nature that it results in confusion in the sense of mistaking between products or failure to distinguish between them'.[52] The notes on the causing of confusion in the WMP (addressed in Article 2 of the WMP) reflect a concept of confusion that includes confusion as to affiliation or sponsorship.[53] The WMP also confirm the objective to protect publicity and merchandizing rights against confusing acts.[54] Article 2 refers not only to typical business identifiers, such as marks and trade names, but also to the appearance and presentation of a product as well as marketing techniques using a celebrity or a well-known fictional character.[55]

As to the second example given in Article 10*bis*(3) (concerning the discrediting of a competitor's establishment, goods or activities), it seems noteworthy that a proposal by Germany seeking to prohibit certain forms of comparative advertising was not accepted at the 1934 London Conference.[56] In the absence of specific advertising rules at the international level, a national or regional solution can be developed along the lines of the second example in Article 10*bis*(3) and the general 'honest practices' clause of Article 10*bis*(2). In contrast to a ban on comparative advertising, this flexible international framework leaves room for changes in the regulatory approach, including a potential trend towards broader acceptance of comparative advertising in the light of constitutional guarantees, such as freedom of commercial expression.[57] As to discrediting acts, the examples given in the WMP refer particularly to advertising and promotion and focus on allegations concerning certain characteristics of products or services, as well as sales conditions (Article 5(2) of the WMP). It is moreover clarified that relevant acts of unfair competition may also be committed by consumer associations or the media.[58]

The third example implies a change of perspective. Whereas Article 10*bis*(3)(1)–(2) concerns confusion with, or false allegations about, the goods of a competitor, Article 10*bis*(3)(3) does not expressly refer to the goods of a competitor. Instead, the focus lies on indications and allegations that a market participant makes about its own goods.[59] Referring to the ordinary meaning of 'mislead', the WTO Panel concluded that the prohibition concerned

47 ibid.

48 ibid.

49 Arguably, the broad expression 'industrial or commercial activities' in Art 10*bis*(3)(1) can be understood to cover the provision of services. The example of unfair conduct, thus, covers both confusion as to goods and confusion as to services; cf Ricketson (n 2) [13.50]; Pflüger (n 14) 301.

50 Actes de La Haye (n 6) 476; Ladas (n 2) 1706–07; cf Art 1(2) of the Paris Convention. For a discussion of the relationship between these different avenues of protection against confusion, see Henning-Bodewig (n 11) 174–76.

51 *Australia—Tobacco Plain Packaging* (n 12) [7.2714].

52 ibid.

53 For a more detailed discussion of this point, see Henning-Bodewig (n 11) 185–86.

54 WIPO Model Provisions (n 30) 16 and 20, notes 2.04 and 2.11; cf H Ruijsenaars, 'The WIPO Report on Character Merchandising' (1994) 25 *IIC* 532; the critical comments by P Jaffey, 'Merchandising and the Law of Trade Marks' (1998) *IPQ* 240; MRF Senftleben, *The Copyright/Trademark Interface—How the Expansion of Trademark Protection Is Stifling Cultural Creativity* (The Hague/London/New York: Kluwer Law International 2020) 152–63 and 202–05.

55 cf Pflüger (n 14) 301.

56 Actes de Londres (n 7) 419; cf Ricketson (n 2) [13.57].

57 1994 WIPO Study (n 20) [92]; cf A Ohly, 'Das neue UWG—Mehr Freiheit für den Wettbewerb?' (2004) *Gewerblicher Rechtsschutz und Urheberrecht* 889, 892–94.

58 WIPO Model Provisions (n 30) 44, note 5.05.

59 Ricketson (n 2) 13.52; Pflüger (n 14) 304.

acts which 'deceive by giving incorrect information or a false impression'.[60] More specifically, the third example could be understood to address deceptive allegations that either have misled the public or are likely to do so. Besides acts of giving indications or making allegations, an omission of certain information may amount to a deceptive indication or allegation as well. This is the case 'where such omission, in the course of trade, is liable to mislead the consumer, in the sense of deceiving him or her by giving incorrect information or a false impression'.[61] For instance, deception can arise if the public, in the absence of express information, expects a certain characteristic to be present.[62] The notes on misleading acts in the WMP (addressed in Article 4 of the WMP) clarify that, besides inherently false indications, literally correct statements as well as the omission of information should be prohibited if they give a misleading impression. Obvious exaggerations in the course of 'sales talk', by contrast, need not necessarily be qualified as misleading.[63] The examples provided in Article 4(2) of the WMP refer to advertising and promotion activities. The list of characteristics of products or services contains a reference to the geographical origin.[64] Article 4, however, is silent on how to determine the impression on the addressee of a misleading statement. In this respect, the 1994 WIPO Study pointed out that the Paris Convention left this question to Member States and provided an overview of different approaches, such as a distinction between average and gullible consumers and the determination of a misleading effect on the basis of empirical data or through an overall estimation by the judge.[65]

As already indicated, use of the term 'public' in Article 10*bis*(3)(3) of the Paris Convention implies that the prohibition is intended to cover situations where deceptive indications or allegations are directed at the consumer.[66] Considering this configuration of the provision, the third example offers important insights into the objectives underlying protection against unfair competition in the Paris Convention. It can hardly be denied that Article 10*bis* focuses on conduct between competitors.[67] The insertion of the third example, dealing with the misleading of the public as to the nature or other characteristics of goods, however, attests to a departure from the confinement to the interests of competitors at the 1958 Lisbon Conference.[68] It offers a gateway for lending weight to the protection of consumers, which has also been mentioned earlier as an objective that can inform the determination of honest practices in industrial or commercial matters.[69] As the examples in Article 10*bis*(3) concern acts which, in particular, are to be regarded as acts of unfair competition,[70] they illustrate the scope of the general clause laid down in Article 10*bis*(2). Accordingly, it appears consistent to interpret the general concept of 'honest practices' in Article 10*bis*(2) not only in the light of the objective to protect the interests of competitors (in line with the examples given in Article 10*bis*(3)(1)–(2)) but also with a view to ensuring consumer protection (as reflected in the final example provided in Article 10*bis*(3)(3)).

6. Identification of additional acts of unfair competition

Given the multifaceted nature of competition and competitive behaviour, the catalogue of prohibited acts in Article 10*bis*(3) can hardly be expected to cover all cases that may become relevant when seeking to ensure effective protection against unfair competition.[71] Accordingly, it is important to recall that the international framework for protection requires not only the prohibition of the three specific types of acts identified in Article 10*bis*(3) but also effective protection against other acts falling within the scope of the general unfair competition concept laid down in Article 10*bis*(2).[72]

With regard to concrete fields of application, the TRIPS Agreement contains important reference points.[73] In respect of geographical indications, Article 22(2)(b) TRIPS sets forth an obligation to provide the legal means for interested parties to prevent 'any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention'. Article 4 of the 1989 Treaty on Intellectual Property in Respect of Integrated Circuits, as incorporated into the TRIPS Agreement by virtue of the reference made in Article 35, recognizes unfair competition among other legal forms of protection which

60 *Australia—Tobacco Plain Packaging* (n 12) [7.2750].
61 ibid 7.2752.
62 ibid.
63 WIPO Model Provisions (n 30) 30, note 4.02.
64 The WIPO Model Provisions (n 30) 38, note 4.11, provide information on this example and clarify the interplay with special laws protecting geographical indications and appellations of origin.
65 1994 WIPO Study (n 20) 39–40.
66 ibid 24 [33]; *Australia—Tobacco Plain Packaging* (n 12) [7.2750].
67 Pflüger (n 14) 299; Ladas (n 2) 1687.
68 Actes de Lisbonne (n 10) 725, 784 (proposal by Austria), 106, 118, 725–27, 789–90, 852 (discussion and adoption); cf Ladas (n 2) 1687.
69 Cf Ricketson (n 2) [13.52]; Pflüger (n 14) 299; Ladas (n 2) 1735.
70 Bodenhausen (n 2) 143.
71 For an overview of additional forms of unfair conduct that have been discussed at Paris Convention revision conferences, see Ricketson (n 2) [13.54]–[13.59].
72 *Australia—Tobacco Plain Packaging* (n 12) [7.2679].
73 ibid; Meier-Ewert (n 13) 241; Henning-Bodewig (n 11) 179–81.

WTO Members may employ to ensure protection for layout designs of integrated circuits. Furthermore, Article 39(1) TRIPS provides that

> [i]n the course of ensuring effective protection against unfair competition as provided in Article 10*bis* of the Paris Convention (1967), Members shall protect undisclosed information in accordance with paragraph 2 and data submitted to governments or governmental agencies in accordance with paragraph 3.

For the identification of additional examples of unfair behaviour at the international level, this reference to Article 10*bis* of the Paris Convention in the context of trade secret protection is particularly instructive. Article 39(2) TRIPS stipulates that 'natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices'. This protection against unfair competition is available so long as the information at issue is secret, has commercial value because it is secret and has been subject to reasonable steps to keep it secret (Article 39(2)(a), (b) and (c)). Adding these conceptual contours to the general obligation to protect trade secret holders against unfair competition, Article 39(2) TRIPS can be regarded as an international norm that gives a further example of prohibited conduct that amounts to unfair competition.[74]

Defining principal acts or practices against which protection should be granted, the WMP also seek to provide guidance on additional acts of unfair competition that may require particular attention. The WMP deal with the causing of confusion with respect to another's enterprise or its activities (Article 2), the damaging of another's goodwill or reputation (Article 3), the misleading of the public (Article 4), the discrediting of another's enterprise or its activities (Article 5) and, finally, unfair competition in respect of secret information (Article 6). Moreover, Article 1(1) WMP contains a general clause that is intended to serve as a basis for protection against other acts of unfair competition, which are not specifically listed in the subsequent provisions.[75]

The system of the WMP, thus, follows the model of Article 10*bis* of the Paris Convention. The number of expressly listed acts of unfair competition, however, is somewhat higher in the WMP. Besides the three cases of unfair competition listed in Article 10*bis*(3), the WMP contain two additional categories of unfair acts.[76] Pursuant to Article 3(1) WMP,

> [a]ny act or practice, in the course of industrial or commercial activities, that damages, or is likely to damage, the goodwill or reputation of another's enterprise shall constitute an act of unfair competition, regardless of whether such act or practice causes confusion.

The groundwork for this additional example was laid in the 1994 WIPO Study, which specifically devoted attention to acts of freeriding and, in particular, discussed the dilution of the 'distinctive quality or advertising value' of a mark.[77] The latter formulation reappears in Article 3(2)(b) WMP as the core element of a definition of dilution, which also summarizes examples of relevant acts listed in Article 3(2)(a). According to this definition, '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'. Article 3 thus provides for broad protection against freeriding and dilution. It seeks to include the field of publicity and merchandizing.[78]

The second additional example is laid down in Article 6 WMP and deals with unfair competition in respect of secret information. The provision is based on Article 39 of the TRIPS Agreement. The definition of the term 'secret information' in Article 6(3) WMP is identical to the definition of 'undisclosed information' in Article 39(2)(a), (b) and (c) TRIPS. Similarly, Article 6(1) WMP paraphrases the general principle established in Article 39(2) TRIPS:

> [a]ny act or practice, in the course of industrial or commercial activities, that results in the disclosure, acquisition or use by others of secret information without the consent of the person lawfully in control of that information […] and in a manner contrary to honest commercial practices shall constitute an act of unfair competition.

The examples of relevant acts in Article 6(2) WMP refer to industrial or commercial espionage, breach of contract, breach of confidence and related acts. They can be placed in the context of footnote 10 of the TRIPS Agreement, which accompanies the reference to 'honest commercial practices' in Article 39(2):

> For the purpose of this provision, 'a manner contrary to honest commercial practices' shall mean at least practices such

74 For a more detailed discussion of the relationship between Art 10*bis* of the Paris Convention and Art 39 of the TRIPS Agreement, see Ricketson (n 2) [13.61]–[13.65].

75 WIPO Model Provisions (n 30) 6, note 1.01.

76 cf Pflüger (n 14) 297.

77 WIPO Study (n 20) 54–58, particularly [109].

78 cf Henning-Bodewig (n 11) 186.

as breach of contract, breach of confidence and inducement to breach, and includes the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.[79]

The WMP do not provide guidelines as to the efforts the owner of information must make in order to keep it secret. In this respect, the 1994 WIPO Study suggests considering whether the information contains material that is not confidential if looked at in isolation, whether it has necessarily to be acquired by employees if they are to work efficiently and whether it is restricted to senior management.[80] With regard to former employees, the notes on Article 6 WMP recall that a fine line has to be walked between the legitimate use of skills, knowledge and experience acquired during employment and the unfair disclosure or use of the former employer's secret information.[81]

In sum, the WMP suggest to go beyond the current list of examples in the Paris Convention and add the misappropriation of trade secrets and acts of dilution and freeriding to the cases expressly mentioned in Article 10*bis*(3) of the Paris Convention.[82]

7. Conclusion

The foregoing analysis sheds light on the success formula that has enabled Article 10*bis* of the Paris Convention to provide a common denominator for protection against unfair competition in divergent national and regional contexts. The openness of the general requirement of honest practices in industrial or commercial matters enables the provision to keep pace with constantly changing market circumstances. It offers room for tailor-made solutions that take account of individual levels of economic development. Compliance with honest practices need not be determined on the basis of a traditional, empirical approach. More modern, functional approaches can pave the way for a broader understanding of honest practices and the inclusion of a broader spectrum of policy goals: not only the goal of ensuring fair play between competitors but also the objective to protect consumers and satisfy the interest of the general public in a well-functioning marketplace. At the same time, the requirement of a competitive relationship can be relaxed. Going beyond direct competition in the same market segment, a competitive relationship between traders in different branches of industry or trade and even an indirect competitive relationship can be deemed sufficient. For the further development of Article 10*bis*, the list of examples in para 3 plays a central role. The WMP already point in the direction of a broader catalogue of prohibited acts. Considering current developments and challenges—ranging from computational, behavioural advertising, influencer marketing and product recommender systems to questions surrounding data exclusivity and sustainability issues, such as greenwashing—it seems worthwhile to consider an update and enrichment of the guidance that can be provided at the international level by identifying and regulating individual categories of unfair behaviour.

79 For a discussion of the impact of footnote 10 on treaty interpretation, see Ricketson (n 2) [13.77].

80 1994 WIPO Study (n 20) 51 [99].

81 WIPO Model Provisions (n 30) 50, note 6.08.

82 For an overview of acts not expressly mentioned in Art 10*bis*, see 1994 WIPO Study (n 20) 48–68.