UNFAIR COMPETITION AND THE PARIS CONVENTION*

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The Paris Convention: relevant provisions

2–1 The main source of international obligations in the field of unfair competition is the Paris Convention for the Protection of Industrial Property of 1883, as revised most recently at Stockholm in 1967. The United Kingdom is bound by the Stockholm Act.[1] The United Kingdom is also a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPs Agreement), but the substantive law of the latter has only peripheral relevance to passing-off or to wider concepts of unfair competition. The TRIPs Agreement itself, and the extent to which the unfair competition provisions of the Paris Convention are incorporated into it, are discussed in Section X.

The Paris Convention provisions of most relevance to passing off are Article 2, establishing the principle of "national treatment" in relation to the protection of industrial property, which is defined to include "the repression of unfair competition"; and Article 10bis which contains a non-exhaustive list of contraventions of "honest practices in industrial and commercial matters," against all of which member states are required to provide "effective protection".

Other Paris Convention provisions are relevant to unfair competition in at least some of its aspects, depending to some degree on how broadly one draws one's definition. Provisions at the margin of unfair competition, and not further considered here, include those relating to well-known marks (Art. 6*bis*); trade names (Art. 8); and customs seizure (Arts 9 and 10). Geographical indications (indications of source and appellations of origin) are included in the listing of "industrial property" so as to be subject to the principle of national treatment, and receive a rather limited degree of protection under Arts 10 and 10*ter*. In addition to the Paris Convention, the United Kingdom is a party to the Madrid Arrangement of

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1 Successive versions of the Paris Convention are called "Acts" and named after the city which hosted the revision conference at which they were adopted.

1891 Concerning the Prevention of False or Misleading Indications of Source, but not to the 1958 Lisbon Arrangement for the Protection of Appellations of Origin and their International Registration. In view of the separate existence of these two treaty regimes, and the drafting history of Article 10bis(3) itself, it is doubtful if geographical indications are entitled to protection under Art 10*bis* as such.

No direct effect in English law

2–2 All these provisions are subject, at least in the United Kingdom, to two fundamental qualifications which virtually deprive them of day-to-day practical effect. First, English law belongs to the dualist system under which international treaties have no effect in domestic law except to the extent that their provisions have been enacted into domestic legislation. The Paris Convention, like any other treaty, is not self-executing.[2] After each revision conference, consideration has to be given to whether English law requires amendment to comply with newly undertaken Convention obligations; or old ones, reconsidered. In the present context, this has resulted from time to time in amendments to the Merchandise Marks Acts, but not to the common law of passing-off or injurious falsehood. No litigant in an English court can rely directly on the Paris Convention as such, whether with respect to provisions of substantive law such as Art 10*bis*, or the principle of national treatment under Article 2. The most that can be expected is that the court should attempt to interpret and apply any relevant English law consistently with the United Kingdom's Convention obligations.

If, as some maintain, the United Kingdom is in breach of Articles 10*bis* and 10*ter* by failing to provide a more comprehensive law of unfair competition, then the only legal remedy is for another state of the Union to pursue a claim in international law. The Paris Convention itself has, since the Stockholm Act, conferred jurisdiction on the International Court of Justice to determine disputes between member states concerning the interpretation or application of the Convention: Art. 28. The provision has never been used, despite having been supported vigorously (not least by the United Kingdom) since at least as early as the 1925 Hague Conference. An aggrieved private party has no legal standing or remedy.

The beneficiaries of Article 10*bis*

2–3 Secondly, and as a matter of general Convention law rather than that of the United Kingdom, no one is entitled to be treated as a *ressortissant* of the Convention in his own state, so nationals of a given contracting state do not automatically benefit from the provisions of the Convention in the state of their nationality. States enter into international conventions primarily to protect their interests—including those of their nationals—abroad. There are exceptions, such as conventions on human rights, in which states do contract internationally so as to guarantee certain rights to their own nationals, but there is no

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[2] In the specific context of the Paris Convention, see G.H.C. Bodenhausen, *Guide to the Paris Convention* (1968) p. 14 and commentary on Art. 25.

reason to believe that the Paris Convention is among them. In so far as states wish to protect their own (or foreign) nationals at home, the normal and appropriate route is by domestic legislation. In the case of those states for which treaties may have direct effect in domestic law, the law may (and probably will) confer the same benefits on nationals as on foreign *ressortissants*,[3] but that is a matter for the internal law of the relevant member state.

The result may be surprising, but is not seriously in doubt:[4] in so far as Articles 10*bis* and 10*ter* create a uniform minimum standard of protection against acts of unfair competition, each member state is obliged to provide the requisite degree of protection to nationals of *other* member states (and any other foreign *ressortissants*) who may suffer from such acts in its territory, but it is *not* obliged to provide that level of protection, or any protection at all, to its own nationals in respect of the same kind of acts.[5] Of course few states will deliberately withhold from their own nationals benefits which they are obliged to confer on foreigners, but that is a matter of domestic policy and legislation, not international obligation.

The principle of national treatment

2–4 Article 1(1) of the Paris Convention declares that "The countries to which this Convention applies constitute a Union for the protection of industrial property" and Article 1(2) defines the latter by enumeration: "The protection of industrial property has as its object … the repression of unfair competition." Despite what can be mistaken for mandatory language, Article 1 is partly institutional (in so far as it constitutes the Union) and partly definitional. In itself it does not oblige the member states to legislate for, or otherwise protect, any of the categories of industrial property referred to.

The consequences of the breadth of the definition of "industrial property" begin to be felt at Article 2(1), under which the principle of national treatment is declared:

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[3] France is an example, details are given in the citations from Bodenhausen and Ladas, below.

[4] For the general principle, see Bodenhausen, commentary on Art.2(1), note (e), at the paragraph bridging pp. 30 –31; Ladas §158, page 256. Problems of dual nationality, etc, are beyond the scope of the present work.

[5] This is express in relation to Art. 10*ter* (1): "the countries of the Union undertake to assure *to nationals of the other countries of the Union* appropriate legal remedies …" (emphasis added). The fact the corresponding wording of Art. 10*bis* differs slightly is almost certainly an accident of drafting history, rather than an deliberate distinction.

Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specifically provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.	Les ressortissants de chacun des pays de l'Union jouiront dans tous les autres pays de l'Union, en ce qui concerne la protection de la propriété industrielle, des avantages que les lois respectives accordent actuellement ou accorderont par la suite aux nationaux, le tout sans préjudice des droits spécialement prévus par la présente Convention. En conséquence, ils auront la même protection que ceux-ci et le même recours légal contre toute atteinte portée à leurs droits, sous réserve de l'accomplissement des conditions et formalités imposées aux nationaux.

2–5 By paragraph (2) "no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights." Paragraph (3) contains important reservations from the principle of national treatment in respect of judicial and administrative procedure, jurisdiction, and the designation of an address for service or the appointment of an agent. Article 3 assimilates to nationals of countries of the Union non-nationals who have real and effective industrial establishments in a member state, though the distinction is of minimal importance now that so few countries remain outside the Paris Union. Collectively, nationals of the Union and those assimilated to national treatment are referred to as *ressortissants*.

The legal effect of Articles 1 and 2 in the context of unfair competition is this: whatever rights and remedies a country confers on its own nationals in the field of unfair competition must equally be made available, without discrimination or any requirement of reciprocity, to nationals of the other countries of the Union and other *ressortissants*, subject to the reservation of Article 1(3) in respect of matters of jurisdiction and judicial procedure. This obligation of national treatment is quite independent from that of Article 10*bis*: the latter provides for certain minimum standards of protection which all *ressortissants* are entitled to claim, but there is nothing to prevent a particular member of the Union legislating more generously than Art10*bis* requires (whether in terms of substantive law, or in terms of the rights and remedies made available) and in that case the foreign *ressortissant* cannot be denied the more generous protection of national law.

Articles 10*bis* and 10*ter*

2–6 The whole substantive law of unfair competition in the Paris Convention is to be found in Article 10*bis*, which, in the text of the current (Stockholm) Act, provides:

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:

1 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;

2 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;

3 indications or allegations the use of which in the course of trade is likely to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

(1) Les pays de l'Union sont tenus d'assurer aux ressortissants de l'Union une protection effective contre la concurrence déloyale.

(2) Constitue un acte de concurrence déloyale tout acte de concurrence contraire aux usages honnêtes en matière industrielle ou commerciale.

(3) Notamment devront être interdits:

1° tous faits quelconques de nature à créer une confusion par n'importe quel moyen avec l'établissement, les produits ou l'activité industrielle ou commerciale d'un concurrent;

2° les allégations fausses, dans l'exercice du commerce, de nature à discréditer l'établissement, les produits ou l'activité industrielle ou commerciale d'un concurrent;

3° les indications ou allégations dont l'usage, dans l'exercice du commerce, est susceptible d'induire le public en erreur sur la nature, le mode de fabrication, les caractéristiques, l'aptitude à l'emploi ou la quantité des marchandises.

2–7 Article 10*bis* is given practical effect by Article 10*ter* which reads:

(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.

(2) They undertake, further, to provide measures to permit federations and associations representing interested industrialists, producers, or merchants, provided that the existence of such federations and associations is not contrary to the laws of their countries, to take action in the courts or before the administrative authorities, with a view to the repression of the acts referred to in Articles 9, 10, and 10bis, in so far as the law of the country in

(1) Les pays de l'Union s'engagent à assurer aux ressortissants des autres pays de l'Union des recours légaux appropriés pour réprimer efficacement tous les actes visés aux articles 9, 10 et 10bis

(2) Ils s'engagent, en outre, à prévoir des mesures pour permettre aux syndicats et associations représentant les industriels, producteurs ou commerçants intéressés et dont l'existence n'est pas contraire aux lois de leurs pays, d'agir en justice ou auprès des autorités administratives, en vue de la répression des actes prévus par les articles 9, 10 et 10bis dans la mesure où la loi du pays dans lequel la protection est réclamée le permet aux syndicats et associations de ce pays.

which protection is claimed allows such action by federations and associations of that country.

As the awkward numbering suggests, these two articles were not to be found in the original Paris Convention of 1883, but were introduced by subsequent amendments. Article 10*bis* is not a sub-division of Article 10, but a separate Article inserted after the latter. Likewise Article 10*ter*, which post-dates Article 10*bis*. Article 10 itself, dealing with customs seizure in a variety of situations, is of no more than marginal relevance to unfair competition. For further details of the legislative history of both Articles, see the following Section.

The language of Art 10*bis*: "unfair competition" and "*concurrence déloyale*"

2–8 Before attempting to interpret the language of Article 10*bis*, one must first decide which language one is going to interpret. Like previous Acts, the Stockholm Act of the Paris Convention exists in a single copy in the French language.[6] Prior to the Lisbon Act of 1958, there was no provision for texts or translations in any language other than French. The Lisbon Act made provision, for the first time, for official translations by the International Bureau[7] into other languages, including English; and the Stockholm Act elevated the status of these translations into "official texts," but with the proviso that in case of differences of opinion of interpretation, the French text was to prevail.[8]

Quite apart from the ultimately subordinate status of the English language text, there are the further problems that the conferences at which Art 10*bis* was originally adopted and subsequently amended used French are their sole working language, that their records and *travaux préparatoires* are published only in French,[9] and that in its drafting style and legislative technique the Paris Convention is no less French than its name. Article 10*bis* may have suffered less than some others from the vagaries of translation, but there is more than a risk of misunderstanding it in any language other than the original. In the present work, the relevant texts from the Convention are given in both French and English, and the commentary follows the English text except to the extent that the French text clarifies or removes difficulties of interpretation.

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6 Art. 29(1)(a).

7 The International Bureau of what is now the World Intellectual Property Organisation (WIPO) was formerly the *Bureau de L'Union Internationale pour la Protection de la Propriété Industrielle*.

8 Art. 29(1)(b) and (c).

9 The Stockholm conference was the first to have its records published in English, but no amendments to Art. 10*bis* were made or even considered.

2–9 A term which requires special consideration is "unfair competition" itself. This phrase attempts or purports to translate the French term *concurrence déloyale* which has appeared in the authentic text of successive Acts of the Paris Convention since the Brussels Act of 1900. Not only was French then the sole language of the Paris Convention itself, but France was the first country to develop what would now be called a law of unfair competition, and before the end of the 19th Century *concurrence déloyale* was a well-accepted term of art, well in advance of any corresponding term or concept in English law. True, the phrase "unfair competition" (or something like it) may be found in English writing or decided cases around the turn of the Century; but there is little suggestion that a term of art is in the making, and its more widespread adoption was thwarted by the language as well as the reasoning of *Mogul v McGregor Dow*.[10] After *Mogul*, no one was going to formulate a claim as one for "unfair competition" with any hope of success. In any event, "unfair" would have been an inappropriate translation for the French "*déloyale*," since the latter implied a much more stringent ethical content than mere unfairness. An accurate translation would need to have been pitched somewhere in the region of "dishonest," "unethical," or even "fraudulent"; with the proviso that French and English concepts of what was ethical in trade were often very much at odds.

Fortunately it will be seen that in interpreting Article 10bis, very little actually turns on the precise turn of phrase used in either French or English: "unfair competition" or "*concurrence déloyale*" is used in the body of Art 10*bis*, but is promptly defined for the purposes of the Article in terms of a more precise and seemingly rather different concept, namely contravention of honest practices in trade. As for the title of Art 10*bis*, it is not even part of the text of the Convention, but a harmless interpolation by the International Bureau which has received the sanction of time and convenience. It is only in the context of national treatment under Article 2 that "unfair competition" probably falls to be understood on its own.

Interpreting Article 10bis

2–10 The treatment of Article 10*bis* of the Paris Convention in the present work attempts to follow the scheme of the Vienna Convention on the Law of Treaties.[11] First of all, the "general rule" of Article 31(1) of the latter states that any treaty is to be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose. Paragraphs

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[10] [1892] A.C. 25, HL, affirming (1889) 23 Q.B. 598, CA.

[11] It is not suggested that the Vienna Convention applies in terms to the Paris Convention or any of its Acts, all of which were adopted before the Vienna Convention came into force on 27th January 1980 (see Art. 4, non-retroactivity). However Arts 31 and 32 of the Vienna Convention are widely and conveniently taken as being declaratory of pre-existing international law.

(2), (3) and (4) go on further to define the contextual material; provide for the taking into account of subsequent agreement as to interpretation or application, subsequent practice establishing the agreement of the parties as to interpretation, and relevant rules of international law; and to provide that a special meaning is to be given to a term if it is established that the parties so intended. In the second place, Article 32 of the Vienna Convention provides for recourse to supplementary means of interpretation, and specifically what are compendiously called the *travaux préparatoires*, in order to confirm the meaning resulting from the application of Article 31; or to determine the meaning if Article 31 itself leaves the meaning ambiguous or obscure, or leads to a result which is manifestly absurd or unreasonable.

The remainder of the present section therefore attempts to offer an interpretation of Article 10*bis* in the light of the primary or Article 31 material: principally its text, its context, and its purpose, but with forward references to the next Section to confirm that any interpretation proposed is supported or at least not contradicted by the negotiating history. The following Section deals in much greater detail with the history of Article 10*bis* and the records of the conferences at which successive versions were enacted, and might be thought redundant if the Article could be interpreted without their aid. However the division into materials of primary and secondary relevance is much less clear cut than might be supposed. In particular (and after the passage of a full human lifetime since Article 10*bis* took its present shape in 1925 and 1934) its object, purpose and factual matrix, all of which are Article 31 materials, are only likely be ascertained with any degree of accuracy by reference to the published records (at least partly Article 32 materials), other historical materials, and even to sources which are inadmissible as aids to interpretation in their own right, such as the private records of individual contracting states. A similar comment applies to the language of the treaty, especially to the extent that concepts and usages may have changed over time.

Finally, a commentator cannot simply satisfy himself that a particular interpretation based on Article 31 material is correct, and free from ambiguity, obscurity, absurdity, or unreasonableness. Others may legitimately differ in the interpretation itself, or the confidence with which it is asserted. The Article 32 material still needs to be considered, whether to confirm the correctness of one's first conclusion, or to provide the basis from which it can be questioned.

The purpose(s) of Article 10bis

2–11 With few qualifications, the purpose of Article 10bis of the Paris Convention might be thought self-evident: it is the repression of unfair competition in international trade between the contacting states, for the benefit of honest traders in those states, and other such traders given the status of *resortissants*.

This simple conclusion does require some elaboration; first, as to the intended beneficiaries of Article 10bis. In English law, unfair competition tends to be regarded as much as a branch of consumer protection law as anything. However, it can be said with confidence that for most of its history Article

10bis was intended to protect competing traders, rather than consumers. Consumer protection simply was not considered a suitable topic for an international convention, and it is only with the Lisbon amendments of 1958 that this proposition may have to be qualified. With this possible exception, it is not helpful to attempt to interpret Article 10bis as though it belonged to consumer protection law. It is the nucleus of an international law of unfair competition, not one of unfair trading.

2–12 Secondly, there is the question of whether the repression of unfair competition is to be understood as a goal in itself, or as a means to an end—in the sense that Article 10bis is intended to promote or protect economically liberal market values in international trade. This might be put rhetorically in terms of whether an isolated and centrally-directed socialist economy, in which imports were discouraged and all kinds of competition repressed alike, would comply with the spirit as well as the letter of Article 10bis. The origin of the 1925 version of Article 10bis in the work of the League of Nations strongly suggests that the liberal thesis is the correct one. It is the protection and promotion of fair competition in international trade, rather than the repression of unfair competition *per se*, which is the underlying purpose of the Article, in terms of which it falls to be interpreted. The Covenant of the League of Nations contained at Article 23(e) an obligation on the members of the League to "make provision to secure and maintain … equitable treatment for the commerce of all Members of the League", and Article 10bis in the form adopted at the 1925 Hague Conference was based on a programme initiated by the League pursuant to this Article of the Covenant. Article 10bis is therefore, by the narrowest of margins, the product of the immediate post-War effort to re-establish international trade on a sound basis, as opposed to the protectionist reaction of a few years' later.

The structure of Article 10bis: general part and specific instances

2–13 The structure of Article 10bis in its present form comprises what might be called a "general clause" requiring the contracting states to assure to one another's nationals effective protection against unfair competition; followed by a clause defining unfair competition in terms of acts of competition contrary to honest practices in industrial or commercial matters; followed by three specific instances which are required to be prohibited: broadly speaking, classic passing-off, disparagement of competitors, and various specific kinds of misdescription.

For present purposes, an analysis of Article 10bis may be broken down into the following issues:

1. What is meant by "effective protection" and the "repression" of unfair competition?
2. What is meant by "competition," and is Article 10bis confined to economically competitive situations?
3. What is meant by "fairness," and its definition in terms of "honest practices in industrial or commercial matters"?
4. Is the defendant's subjective intent of any relevance?

5. Taking the enumerated prohibitions of paragraph (3) as self-explanatory, then do paragraphs (1) and (2) together have any residual role to play as a "general clause".

Effective protection and the "repression" of unfair competition

2–14 According to Article 10bis, member states of the Union are obliged to provide "effective protection" against unfair competition as defined, whether in the general terms of paragraph (2) or the specific examples of paragraph (3) which are to be "prohibited". Article 10ter amplifies this by requiring members to assure "appropriate legal remedies effectively to repress" all acts contrary to Article 10bis.

Neither Article 10bis nor 10ter requires in terms that there should be a civil action for an injunction in respect of all, or any, of the acts addressed by Article 10bis. What is required is that there should be "effective protection", "prohibition", or "legal remedies effectively to repress" the act of unfair competition, as the case may be. While a civil action for an injunction is perhaps the most obvious and common means of enforcement, its availability is not the only way in which a member state may comply. Criminal sanctions on their own, if effective, not only satisfy the Convention obligations, but might be thought to correspond rather better to the strong language of prohibition and repression. The conclusion is confirmed by the legislative history of the Article. *A fortiori*, Article 10bis does not require member states to provide a civil action for damages, or for restitution, in all cases of breach of Article 10bis. The obligation is to prohibit or repress unfair competition effectively, not to provide for compensation if the prohibition is defied.[12]

The *travaux préparatoires* for various conferences have noted that the repression of unfair competition in the contracting states involved various combinations of civil, criminal, and administrative law, and this state of affairs was not intended to be affected.[13] Likewise, it is accepted that Article 10bis does not create any obligation to enact a specific statute, or an unfair competition law *eo nomine*, if sufficient protection is provided by the general law.[14]

Essential concepts of Art 10bis: "competition"

2–15 The first essential concept of Article 10bis is competition, which is not further defined. In both the French and English texts, the requirement of competition is not just something which is implicit in the name or concept of "unfair competition" or *concurrence déloyale*: it is reiterated in the requirement of

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[12] Bodenahusen, *op. cit.*, p. 148; *Actes de la Haye* (1926) p. 581.

[13] See especially *Actes de la Haye* (1926) pp.478-480; *Actes de Londres* (1934) pp. 421-422. Bodenahusen, *op. cit.*, p. 149.

[14] See specifically *Actes de Washington* (1911) pp 255, 305; *Actes de la Haye* (1926) pp. 472, 578. Bodenahusen, *op. cit.*, p. 143.

paragraph (2) that there be an "act of competition" which can be characterised as unfair, and (at least in the contexts of sub-paragraphs 1 and 2 of paragraph 3) by the respective definitions of confusion or false allegations in relation to the establishment, goods or activities of a competitor. A straightforward and not unduly literal reading of Article 10*bis* would therefore confine its application to the rights and remedies of competitors *inter se*; and this is implicitly confirmed by the fact that Article 10*ter*(2) finds it necessary to confer rights of action in certain circumstances on a certain class of non-competitors, namely interested trade associations.

Any extension of the general part of Article 10*bis* or the specific instances to non-competitors would therefore have to be justified, if at all, by recourse to secondary means of interpretation. In fact, it will be found that proposals to broaden the Article by deleting or replacing the words "competitor" and "competition" have been tendered and defeated, so that the negotiating history confirms that the narrow interpretation is the correct one. The 1925 version of Article 10bis was expressly adopted on the basis that it was confined to acts of commercial competition, and an attempt at the 1958 Lisbon Conference to remove this restriction was defeated.[15] In this respect the Convention obligations under Article 10bis are considerably narrower than the modern unfair competition laws of many of the contracting states. There is no Convention obligation to protect a *resortissant* against, for instance, unjustified disparagement by a party who is not a trade competitor.

2–16 Bodenhausen, whose preferred interpretation of Article 10*bis* tends towards the expansive, would not go much further:

> "What is to be understood by 'competition' *will be determined in each country according to its own concepts*: countries *may* extend the notion of acts of competition to acts which are not competitive in a narrow sense, that is, within the same branch of industry or trade, but which unduly profit from a reputation established in another branch of industry or trade and thereby weaken such reputation."[16]

If it be asked what reason there can be for giving a permissive interpretation to Art 10*bis*, when nothing in the Convention prevents the contracting states from legislating against unfair trade practices in wider or more stringent terms without reference to the presence of competition, then the answer may be that the principle of national treatment under Article 2(1) applies to national laws of unfair competition in their entirety, and not just to so much of the law as implements Article 10*bis*.

"Fairness" and "honest practices"

2–17 Secondly, there is the element of fairness or honesty. What Article 10*bis* prohibits in terms is not dishonest or unfair competition *per se*, but acts of competition "contrary to honest practices in industrial

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[15] *Actes de la Haye* (1926) pp. 475-477; *Actes de Lisbonne* (1963) pp 721-722.

[16] Bodenhausen, *Guide to the Paris Convention* (1968), page 144 at (d), (emphasis added).

or commercial matters." To paraphrase the nine words of the text into a single epithet is tempting, but is itself an act of interpretation requiring better justification than a preference for simplicity over pleonasm. The intended meaning of Article 10*bis* is to be derived from the complete formula of paragraph (2), which is at risk of being lost if one notionally replaces it with a single word, whether "unfair" or "dishonest." To attempt to use "unfair" as a paraphrase is doubly inadmissible, because the formula which is abbreviated was actually devised as a definition of what is "unfair" in this context.

The requisite standard of fairness or honesty in competition is defined by reference to "honest practices" in "industrial and commercial matters." One is not simply dealing with some abstract standard of ethical conduct approved by a philosopher or moralist, as might be the case if a word such as "unfair" or "dishonest" stood on its own. Nor, on the other hand, is Article 10*bis* a mandate for enforcing objectively dubious practices which traders connive in for their own advantage. "Honest practices" carries with it three further and interrelated implications. First, there is an inference of continuity and consistency in the word "practices," and the standard of honesty must be a realistic one, since otherwise it would merely represent an aspiration rather than a practice. Something done once, rarely, or never at all, cannot amount to a practice. Secondly, the field of reference is trade or commerce, where standards may be less demanding than, say, in the liberal professions. Finally, in defining the relevant standard one is principally concerned with what is actually done ("practised") by the generality of honest traders rather than any words of theory, admonishment or undeserved self-congratulation. It is not uncommon for actual market behaviour to be a degree or two rougher than market participants will willingly admit to. The defining practice is what is honestly done by participants in the market, not what is piously enjoined by outsiders.

As Jacobs A-G said (in the context of the Trade Marks Directive) in *Holterhoff*.[17]

> "The precise delimitation of 'honest practices' is of course not given in the Trade Marks Directive. By its very nature, such a concept must allow of a certain flexibility. Its detailed contours may vary from time to time and according to circumstances, and will be determined in part by various rules of law which may themselves change, as well as by changing perceptions of what is acceptable, however, there is a large and clear shared core concept of what constitutes honest conduct in trade, which may be applied by the courts without great difficulty and without any excessive danger of diverging interpretations."

2–18 This is not to say that Art 10*bis*(2) is entirely free from difficulties of interpretation. Once one admits that the standard of honesty is a relative one, then the question arises: relative to what? The reference to "honest practices in industrial or commercial matters" only goes part of the way to providing an answer, since it begs the question of where one looks for what is practised.

Bodenhausen suggests:

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[17] Case C-2/00 *Hölterhoff v Freiesleben* [2002] E.C.R. I-4187.

> "Any act of competition will have to be considered unfair if it is contrary to *honest practices in industrial or commercial matters*. This criterion is not limited to honest practices existing in the country where protection against unfair competition is sought. The judicial or administrative authorities of such country will therefore also have to take into account honest practices established in international trade."

Bodenhausen's preference for defining the standard of honest practices in terms of international trade is attractive, but not without its problems. It appeals in so far as it promises to provide a uniform and objective standard, and one which is also entirely appropriate since the Paris Convention is an international instrument concerned with promoting fair competition in international trade. Its main problem is that acts of unfair competition occur or have their effects predominantly at the retail level, which is highly variable and sensitive to local factors, whereas international trade is at the wholesale level or higher. It will therefore often be the case that there is no appropriate point of comparison in international trade against which to compare a practice occurring in a particular national retail market.

2–19 The alternative dismissed by Bodenhausen is certainly no more attractive, although it may turn out to be the only practical one. What benefit is there to the rest of the World if Indonesia, say, or Nigeria, defines "honest practices" entirely according to locally prevailing standards of what one is allowed to get away with? This would reduce Article 10bis(2) if not quite to a nullity, then to little more than a re-enactment of the principle of national treatment already found in Article 2(1): foreign *resortissants* in Indonesia or Nigeria would have a cause for complaint only if they were defrauded even more shamelessly than locals already defrauded one another. The Convention makes more sense if at least a minimal objective standard of reference can be defined.

There is also something of a counsel of perfection about Bodenhausen's proposal: so far as one can tell, neither national laws of unfair competition, nor courts charged with implementing them, do in general look at what is practised outside their own jurisdiction in defining what is or is not unfair. Of course, if the relevant local standard of honest practices is as high or higher than that prevailing in international trade then there is no breach of Article 10bis on this account.

The defendant's state of mind

2–20 The definition of fairness in terms of honest practices raises the further question of whether the defendant's state of mind is ever relevant. It is suggested that the full formulation "contrary to honest practices in industrial or commercial matters" implies otherwise. One is directed to the standard adopted by honest traders in general, and if an individual trader personally adopts higher or lower standards, even if in good faith, then it does not affect the standard of liability. This is implicitly confirmed by the three specific instances of Article 10bis (3), none of which has any overt mental element or any reservation for *bona fide* conduct.

The negotiating history confirms, with one proviso, that Article 10bis is not confined to acts done with some kind of subjective dishonest intent, be that fraudulent or malicious. At the 1925 Hague

Conference Italy would have proposed a text which was explicitly confined to acts done "*dans le but de detourner la clientele d'un concurrent*".[18] The (rather modest) element of motive in this is was unacceptable, and as Bodenhausen summarises the outcome:

> "At the Revision Conference in the Hague it was understood that national legislation, in providing for effective repression of the acts referred to, may make a difference between provisions allowing claims for damages and those providing for injunctions against the incriminated acts. Whereas it would be possible not to grant damages with respect to acts committed in good faith, the same would not apply to injunctions."[19]

The accepted position is therefore that the contracting states are free to impose damages for the defined acts of unfair competition only in cases of bad faith, but must always provide an effective civil (or, one assumes, criminal) sanction against repetition of the act in the future, regardless of the state of mind with which it was originally done.

2–21 The position is even clearer in respect of the treatment of disparaging statements under Article 10bis (3)(2). At common law, such statements are actionable as injurious falsehood only if they are made maliciously. It is clear from the circumstances in which the original paragraph was adopted at the 1925 Hague Conference that the text is a compromise between French pressure for a wider provision extending to disparaging statements regardless of truth or falsity,[20] and Anglo-American doubts about including any provision at all. Article 10bis (3)(2) as adopted was expressly intended to be free from any requirement of intention to injure: "*la notion de dénigrement … n'implique pas une intention injurieuse*"; and Article 10bis (3)(2) is framed in absolute terms because it was intended to catch all disparaging statements about a competitor, which were contrary to truth, regardless of how or why they came to be made.

The "general clause" of Article 10bis

2–22 The final question is whether Article 10bis (1) and (2) are together intended to have some sort of normative effect over and above the individual instances of conduct specifically prohibited under Article 10bis(3).

The definition of unfair competition in terms what is "contrary to honest practices in industrial or commercial matters" is potentially rather wider than the specific instances of Art 10*bis* (3), but it is sufficiently precise to be capable of having legal effect, and it contains nothing which need unduly

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[18] *Actes de la Haye* (1926) p. 350.

[19] Bodenhausen, *Guide to the Paris Convention* (1968), page 148.

[20] *Actes de la Haye* (1926) p. 477; see also *Actes de Londres* (1934) p. 418, at which a French attempt to delete "false" from Article 10bis (3)(2) was defeated.

dismay the common lawyer: the standard of fairness or honesty so defined is pragmatic, realistic, adaptable, consensual and above all ascertainable by reference to what is actually practised in the relevant branch of trade or commerce. If only such a practice were sufficiently localised within the United Kingdom, then one would call it a "custom" (in the true sense of the word) and there would be no dogmatic or practical objections to enforcing it. In so far as there is a degree of circularity in defining honest practices by reference to what is done by honest traders, then the objection is no more fundamental than is implicit in the concept of the "reasonable man," and the dependency provides the court with an opportunity to refuse to apply any practices which may appear to be prevalent in an industry, but dishonest in some extrinsic sense.

It should also be borne in mind from what is said above that Article 10bis only applies to situations of commercial competition in the strict sense; that compliance with the Article need not involve civil actionability or any *lex specialis*; and that the standard of liability is defined not by reference to abstract "unfairness" but in terms of honest commercial practices. It will be seen, for instance, that such contentious issues as trade mark dilution and character merchandising have little or nothing to do with Article 10bis, because although the conduct of the defendant may be thought to be "unfair" in the sense of being adverse to the claimant's interests, it is not typically competitive in the economic sense.

With these reservations in mind, it is suggested that the "general clause" of Article 10bis is indeed intended to have the effect of obliging the contracting states to provide a remedy for "unfair competition," as defined, in situations broader than those envisaged by Article 10bis(3), albeit with a considerably wider margin of appreciation than under those paragraphs. This is supported by the history of the Article. In the 1911 Washington Act, Article 10bis simply comprised an unparticularised obligation in the form "All contracting states undertake to assure to *ressortissants* of the Union effective protection against unfair competition." The practical inadequacies of this were obvious, but it has never been suggested that it was intended as a mere non-binding *voeu*, and the Convention continues to include legally effective provisions which are quite as imprecise.[21] When Article 10bis in the precursor of its present form was adopted at the 1925 Hague Conference the language of paragraph (1) was deliberately strengthened,[22] and the debate on whether or not to include a definition of "unfair competition" at all, and if so in what terms, is hardly consistent with paragraph (2) being mere surplussage.

Where interpretation of Article 10bis (1) and (2) becomes more speculative is in the meaning to ascribe to "honest". All the specific prohibitions of paragraph (3) are examples of dishonesty in the sense

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21 For example, Arts 6*sexies* (service marks), 8 (trade names).

22 From "*s'engagent*" to "*sont tenus*".

of misrepresentation, and the more conservative interpretation is that "honest" in paragraph (2) is to be understood in the same sense, so that the residual effect of paragraphs (1) and (2) is essentially interstitial, dealing with misrepresentations in competition which are not among those listed. There is another much broader interpretation of "honest" in the sense of "ethical" or even "honourable," but although national laws of unfair competition may consciously adopt such a standard, as might other international instruments,[23] it is not compelled by a reading of the Paris Convention itself; and it is contradicted by the circumstances in which substantially the present form of Article 10bis (2) was adopted at the 1925 Hague Conference in preference to a French proposal.[24]

THE HISTORY OF ARTICLE 10bis

The contribution of the United Kingdom to Article 10*bis*

2–23 Article 10bis in its present form originally owed its existence, and still owes much of its content and coverage, to a series of initiatives by the United Kingdom which have long since passed into oblivion on both sides of the English Channel.[25] It was the United Kingdom which made the original proposal for "effective protection against unfair competition" which became Article 10bis of the 1911 Washington Act of the Paris Convention, and this was originally intended merely as a preamble to a second and more detailed paragraph prohibiting, in effect, various enumerated acts of passing off or trade mark infringement. In the period 1919 to 1925 the United Kingdom was also the principal advocate for enhanced international protection against unfair competition, initially in the perhaps surprising context of the Versailles Peace Conference and subsequently through the League of Nations and then the International Industrial Property Union. To describe these efforts now is not merely an academic exercise or a belated attempt at claiming credit where it is due. It is essential to understanding Article 10bis in its historical context; and in due course it may go some way to reconciling common lawyers to a rather more friendly view of Article 10bis than they are used to holding, while reminding their civil law counterparts that the Article is neither wholly of their own making, nor made in the image of their own laws.

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23 As in Art. 20 of the General Inter-American Convention for Trade Mark and Commercial Protection (Washington, 1929): "Every act or deed contrary to commercial good faith or to the normal and honourable development of industrial or business activities shall be considered as unfair competition…."

24 "[*T*]*ous les actes contraires a la loi, aux usages commerciaux, ou a l'equite.*"

25 Though an account from a transatlantic perspective may be found in Stephen Ladas, *Patents, Trademarks and Related Rights—National and International Protection* (1975) pp 1678-1683.

2–24 The importance of unfair competition to the United Kingdom in this period, and the central importance of the United Kingdom in what follows, are exemplified by the several roles played by a senior British civil servant, Sir Hubert Llewellyn Smith. Sir Hubert was permanent secretary of the Board of Trade between 1907 and 1919, and chief economic adviser to the Government between 1919 and 1927. He was the British delegate to the Economic Committee at the Versailles Peace Conference, and a member (and latterly the Chairman) of the Economic Committee of the League of Nations, for whom he prepared the 1922 report on unfair competition which led to draft articles tabled at the 1925 Hague Conference and subsequently to the rewriting of Article 10bis in 1925. That it was he (rather than the Comptroller of the Patent Office) who led the British delegation at the Hague Conference reflects the importance of the fight against unfair competition to the United Kingdom at the time. The official brief to the British delegates at the 1925 Conference identified unfair competition as the single most important item on the agenda, and when the Conference was over the British delegation declared itself well pleased with what it had achieved.[26] After 1925, it must be admitted, the attitude of the United Kingdom to further revisions of Article 10bis has tended to be conservative.

There are several consistent themes to the United Kingdom's proposals for attacking unfair competition between 1911 and 1925, whether the international context be that of Versailles, the League of Nations, or the International Union. Most obviously, there is the use of very detailed legislative language (typically derived from the Merchandise Marks Acts); the mandatory imposition of criminal liability, at least in cases of fraud; a tendency to understand the problem almost entirely as one relating to trade in goods, and in terms analogous to passing-off or common-law trade mark infringement (albeit with extensions for all kinds of geographical indications); and above all in the concentration on specific acts and instances of unfair competition rather than any attempt to frame a more general concept akin to the "general clause" of the German UWG[27] or that of *concurrence déloyale* in French law. In addition to these, and in marked contrast to the over-simplified view of the United Kingdom's position as wilfully backwards or obstructive, the United Kingdom consistently attempted to make the relevant Paris Convention obligations enforceable on the international plane by conferring jurisdiction on the International Court of Justice or its predecessors.

2–25 To understand the United Kingdom's position one must bear in mind both its national commercial interests, and the legal philosophy which it brought to bear in its attempts to protect them. The relevant commercial interests of the United Kingdom in the early 20th Century were predominantly in terms of protecting its international trade in manufactured goods. Since the industrial revolution of the 18th

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[26] UK Public Record Office file BT 209/706, letter of 30 September 1925; BT 209/712 Report of December 10, 1925.

[27] The *Gesetz gegen den unlauterer Wettbewerb*, 1909.

Century, Britain had regarded itself with some justification as the workshop of the world, and even as early as the Parliamentary Committee of 1862 there was widespread complaint that British manufacturers and exporters had no adequate protection when they increasingly came into competition with American or (especially) German rivals in international markets. The main complaints of British industry were about passing-off and counterfeiting of their goods in all the classic forms (especially in markets where registered trade mark protection was unknown, ineffective, or effectively biased against British interests by a requirement for prior registration at home); misuse of British national or local names and indicia such as *Sheffield* steel or *Manchester* cottons; systematic use of short measure so as to give the false appearance of a price advantage; and (towards the end of the period) various ingenious or outrageous abuses of national registered trade mark systems, such as agents registering the marks of their principals in their own names, or local manufacturers registering as their own trade marks what were in fact national emblems, quality marks, or even hallmarks.

The legal philosophy of the United Kingdom in this period was based on the fact that the first line of defence against unfair competition at home was perceived by the Government as being the Merchandise Marks Acts—rather than the civil actions for passing-off and injurious falsehood—and the Merchandise Marks Acts were criminal statutes. It should not be supposed that the Merchandise Marks Acts were originally thought of (as the Trade Descriptions Acts are today) solely or even primarily as instruments for consumer protection. Businesses, unlike individual consumers, had the means as well the motive to prosecute offenders; and after a shaky start the Merchandise Marks Acts were quite actively enforced both by individual companies and by trade associations. The original 19th Century decision to attack domestic cases of unfair competition through the criminal law was probably dictated at least in part by the absence of a system of local courts which could offer reasonably quick, cheap and speedy access to civil justice, but it coincided with (or helped to engender) a belief that nothing short of criminal liability was sufficient to stamp out fraud on the international stage. When one is imposing civil liability for acts of "unfair competition," it is perhaps acceptable for the formulation of the standard of liability to be broad and flexible, and its detailed implementation and progressive development left to the good sense of the courts, especially if (as was quite widely accepted during this period) damages were only to be awarded against fraudulent defendants, with innocent transgressors of commercial standards exposing themselves only to a civil *action en cessation*. In contrast, a law which criminalises something as ill-defined as "unfairness" is bound either to be self-defeating (since no court will enforce it except in the clearest cases) or oppressive. If the British proposals for successive conferences read like the drafts for a criminal statute, then that is precisely what they were intended to be.

The successive texts of Article 10bis

2–26 In the history of the Paris Convention the degree of interest in unfair competition follows a Gaussian (or bell-shaped) curve. Unfair competition was prominent and even dominant on the agenda for the 1925

(Hague) and 1934 (London) conferences, was a topic of relatively minor importance in the conferences immediately on either side of this period,[28] and received no consideration at all at the early and late extremes.[29]

The original Paris Convention, as adopted in 1883,[30] contained no provisions expressly dealing with unfair competition, though the Preamble[31] referred to the desire of the contracting states to guarantee "*la loyauté des transactions commerciales*" and Article 8 required (and still requires) trade names to be protected without any requirement for deposit or registration. Efforts were made at revision conferences between 1883 and 1900 to incorporate a general prohibition on acts of unfair competition, analogous to the contemporary French law of *concurrence déloyale*, but these lacked general support and came to nothing.

2–27 The Brussels Conferences in 1897 and 1900 first applied the principle of national treatment to laws of unfair competition by adopting a new Article 10*bis* on the proposal of the French delegation, without opposition and almost without debate:[32]

The *ressortissants* of the Convention (Articles 2 and 3) shall enjoy in all countries of the Union the protection afforded to nationals against unfair competition.	Les ressortissants de la Convention (art. 2 et 3), jouirent, dans tous les États de l'Union, de la protection accordée aux nationaux contre la concurrence déloyale.

The effect of this was to prohibit discrimination in the application of national unfair competition laws, but it did not require any particular level or kind of protection. A country of the Union could comply with Article 10*bis* by having no law of unfair competition of any kind.

At the Washington Conference in 1911, "the repression of unfair competition" ("*la répression de la concurrence déloyale*") was added to the list of categories of industrial property in Article 2, on the proposal of the International Bureau, so as automatically to be made subject to the general principle of national treatment along with patents, trade marks, designs and the other enumerated industrial property rights. This more elegant solution to the original omission of unfair competition from the scheme of the

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[28] Brussels in 1900, Washington in 1911, and Lisbon in 1958.

[29] Paris in 1883 and Stockholm in 1967.

[30] The United Kingdom was not one of the original parties, but acceded the following year.

[31] The original Preamble was suppressed from the adoption of the 1911 (Washington) Act onwards and is no longer part of the Convention.

[32] *Actes de Bruxelles* (1901) pp 164 (French proposition), 187 and 310 (*procès-verbaux*), 382 (*procès-verbaux* at resumed conference in 1900), 383 (vote).

1883 Convention rendered the original Article 10*bis* of 1900 redundant, and the International Bureau had proposed simply to delete it, but a new Article 10*bis* was proposed by the United Kingdom. The original United Kingdom proposal had two paragraphs. The first corresponded quite closely to that actually adopted.[33] A second paragraph[34] would have given a non-exhaustive (and distinctly limited) definition of unfair competition in terms of classic cases of passing off of goods, with special reference to indicia unregistered or unregistrable as trade marks in the strict sense. Several (unspecified) delegations objected to the second paragraph on the ground that by enumerating certain cases of unfair competition, there was a risk of implicitly excluding others from the scope of the Article, and so doing more harm than good,[35] and Austria objected to the inclusion of any special cases because its proposed law was still under discussion. As adopted by the Conference the new Art 10*bis* read:[36]

All contracting states undertake to assure to *ressortissants* of the Union effective protection against unfair competition.	Tous les pays contractants s'engagent a assurer aux ressortissants de l'Union, une protection effective contre la concurrence déloyale.

2–28 Article 10*bis* was next amended at the Hague Conference in 1925 to adopt what is recognisably its present structure, with a general clause and specific instances of prohibited conduct, though at this stage the latter were still exclusively concerned with goods:[37]

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33 It would have read "Les sujets ou citoyens des pays de l'Union jouiront, dans chacun de ces pays, d'une protection effective contre la concurrence déloyale."

34 "L'expression 'concurrence déloyale' s'étendra a l'apposition sur les produits, de chiffres, de mots ou de marques, employés soit isolement, soit en forme d'arrangements ou de combinaisons, contendant ou non une marque de fabrique, et pouvant être considères comme calcules pour porter le public a croire que les produits ou marchandises proviennent d'une personne autre que celle dont ils sont véritablement les produits ou les marchandises."

35 *Actes de Washington* (1911) pp 305, 310. This was to be a consistent theme of argument in future conferences. One wonders what extent it was genuine, and to what extent a convenient and politically acceptable excuse for maintaining the *status quo*.

36 *Actes de Washington* (1911): pp 53 (proposal of International Bureau), 105 (United Kingdom proposal), 254 (*procès-verbaux* and vote), 305 (report of committee), 310 (annex).

37 For details of the Conference, see para. 0.00, *infra*.

The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition. Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition. The following in particular shall be prohibited. 1 all acts of such a nature as to create confusion by any means whatever with the goods of a competitor; 2 false allegations, in the course of trade, of such a nature as to discredit the goods of a competitor.	Les pays contractants sont tenus d'assurer aux ressortissants de l'Union une protection effective contre la concurrence déloyale. Constitue un acte de concurrence déloyale toute acte de concurrence contraire aux usages honnêtes en matière industrielle ou commerciale. Notamment devront être interdits: 1 tous faits quelconques de nature a créer une confusion par n'importe quel moyen avec les produits d'un concurrent; 2 les allégations fausse, dans l'exercice du commerce, de nature a discréditer les produits d'un concurrent.

At the same time, a new Article 10*ter* was added to the Convention, of which paragraph (1) read:[38]

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 10*bis*.	Les pays contractants s'engagent a assurer aux ressortissants des autres pays de l'Union des recors légaux appropries pour réprimer efficacement tous les actes vises aux articles 9, 10 et 10*bis*.

2–29 The London conference in 1934 widened the terms of the two numbered sub-paragraphs of Article 10*bis*(3) so as to read, in place of "*les produits d'un concurrent*" ("the goods of a competitor"):

… the establishment, the goods, or the industrial or commercial activities, of a competitor …	… l'établissement, les produits ou l'activité industrielle ou commerciale d'un concurrent …

Article 10*ter* was slightly amended at the same time to remove an uncertainty from the categories of commercial associations which could instigate legal proceedings to enforce the substantive obligations of Art 10*bis*.

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[38] The second paragraph of the 1925 version of Article 10*ter* is omitted. It extended the principle of national treatment to the *locus standi* of trade associations so as to allow foreign associations recourse to the courts on the same basis as local ones. This remains an exception to the general rule that matters of judicial procedure are excluded from the principle of national treatment by Art. 2(3), qualifying Art. 2(1), both of which were adopted in substantially their present form at the Hague Conference in 1925.

2–30 Finally, the Lisbon conference in 1958 adopted a third and final subparagraph to Article10*bis*, adding to the list of enumerated prohibited acts:

3 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.	3 Les indications ou allégations dont l'usage, dans l'exercice du commerce, est susceptible d'induire le public en erreur sur la nature, le mode de fabrication, les caractéristiques, l'aptitude a l'emploi ou la quantité des marchandises.

Article 10*bis* was not further amended at the 1967 Stockholm conference, which was the last occasion on which the Paris Convention has been revised.

The various changes made (and rejected) at the 1925, 1934 and 1958 Conferences are more fully described in the paragraphs which follow.

Prelude to 1925: The Treaty of Versailles

2–31 From 1911 to 1925, the only provisions of the Paris Convention relevant to unfair competition were those of national treatment, and the entirely unparticularised obligation under Article 10bis of the Washington Act for "effective protection against unfair competition." The inadequacy of the existing Paris regime had become apparent in every respect even before the First World War, and became more apparent still during and after the hostilities. Although a comprehensive solution to the problem obviously required coordinated and voluntary international action over many years, the peace settlement with Germany and its allies did provide one opportunity for imposing what were thought to be suitable international obligations on the former enemies. The Versailles Treaty[39] with Germany therefore included (as Chapter III of Part X) two articles collectively entitled "Unfair Competition."

> ARTICLE 274.
>
> Germany undertakes to adopt all the necessary legislative and administrative measures to protect goods the produce or manufacture of any one of the Allied and Associated Powers from all forms of unfair competition in commercial transactions.
>
> Germany undertakes to prohibit and repress by seizure and by other appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in its territory of all goods bearing upon themselves or their usual get-up or wrappings any marks, names, devices, or description whatsoever which are calculated to convey directly or indirectly a false indication of the origin, type, nature, or special characteristics of such goods.
>
> ARTICLE 275
>
> Germany undertakes on condition that reciprocity is accorded in these matters to respect any law, or any administrative or judicial decision given in conformity with such law, in force in any Allied or Associated State and duly communicated to her by the proper

[39] Treaty of Versailles (28 June 1919).

> authorities, defining or regulating the right to any regional appellation in respect of wine or spirits produced in the State to which the region belongs, or the conditions under which the use of any such appellation may be permitted; and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such law or order shall be prohibited by the German Government and repressed by the measures prescribed in the preceding Article.

Corresponding articles were included in the respective Treaties of Peace with Germany's allies: Austria,[40] Hungary,[41] Bulgaria,[42] and Turkey[43].

2–32 The drafting history of what became Articles 274 and 275 may be traced in the minutes of the Economic Committee and its sub-committees at the Versailles Peace Conference.[44] The predecessor of Article 274 was in fact originally framed in the context of a proposal for a wide-ranging commercial treaty, which was intended to provide a model for all the new states created under the Versailles settlement, and not only those which had voluntarily aligned themselves with Germany in the war.[45] At the first meeting of the relevant principal sub-committee Britain[46] tabled two relevant proposals: Project A was for the

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[40] Treaty of Saint-Germain (10 September 1919), Articles 226 and 227.

[41] Treaty of Trianon (4 June 1920), Article 210(1) and (2).

[42] Treaty of Neuilly (27 November 1919), Articles 154 and 155. Article 166 obliged Bulgaria to accede to the Washington Act of the Paris Convention.

[43] Treaty of Sevres (10 August 1920), Articles 266 and 267. The Treaty of Sevres never came into effect, and was superceded by the Treaty of Lausanne (24 July 1923). The Treaty of Lausanne itself lacked any corresponding articles, but the Commercial Convention (also of 24 July 1923) which was concluded with the Treaty of Lausanne contained at Articles 12 and 13 provisions which generally corresponded to Articles 274 and 25 of the Versailles Treaty, except that Article12 (as well as Article 13) was subject to reciprocity, and Article 13 extended to regional appellations in respect of all kinds of "products which derive their special qualities from the soil or the climate" and not just to wines and spirits. Article 14 of the Commercial Convention obliged Turkey to accede to the Washington Act of the Paris Convention.

[44] *Conférence de la Paix* 1919-1920—*Recueil des Actes de la Conférence*—*Partie* IV—*Commissions de la Conférence*—B—*Questions Générales* —VII—*Commission Economique* (Paris, 1933). Hereafter "*Actes de Versailles*" vols 1 (main Committee) and 2 (sub-committees).

[45] This proposal made no progress, though there is a late echo in the Commercial Convention with Turkey, which formed part of the 1923 Lausanne peace settlement.

[46] 12 March 1919, *Actes de Versailles* vol. 2 pp. 369-370 (Minutes), 371-372 (text of Project A), 373-375 (text of Project B).

insertion of eight articles into the treaties of peace with Germany and its allies. Of these, Article VI addressed unfair competition. Project C was for draft commercial convention of 11 articles which would govern commercial relations with and between the new states created from the break-up of the pre-war European empires. Article 8 of this addressed unfair competition in very similar terms to that proposed in Project A:[47]

> Project A, Article VI (Germany)
>
> Le Gouvernement allemand s'engage a décourager toutes formes de concurrence déloyale, telles que l'emploi dans le commerce de fausses marques, noms, ou descriptions, ou de marques donnant une fausse indication, directement ou indirectement, sur l'origine ou la nature d'une marchandise quelconque, et il s'oblige a prendre les mesures législatives et administratives nécessaires pour sauvegarder les marchandises, produits naturels ou fabriques des territoires de l'un quelconque des états Allies ou Associes, contre une concurrence déloyale de cette nature a l'intérieur de l'Allemagne.
>
> Project C, Article 8 (new states)
>
> Les états auxquels s'applique cette Convention conviennent de repousser toute forme de concurrence déloyale, tels que l'usage dans le commerce de fausses marques, fausses dénominations, ou fausses signalements, ou de marques donnant une fausse indication, directe ou indirecte, sur l'origine ou la nature des marchandises, et ils s'engagent a prendre les mesures législatives et administratives nécessaires pour protéger les marchandises, produits ou manufactures dans les territoires d'un des Etats auxquels s'applique cette Convention contre toute concurrence déloyale a l'intérieur de leur territoire.

2–33 These proposals were delegated to a further sub-committee which held eight sessions.[48] So far as the treaty with Germany was concerned, Britain reintroduced the proposals of Article VI of Project A, to which was added an appendix foreshadowing Article 275 as adopted. France proposed a draft article directed solely to the protection of *appellations d'origine*. After the usual discussions, a joint Anglo-French proposal was adopted for inclusion in the peace treaty with Germany in terms closely foreshadowing Articles 274 and 275. A proposal for corresponding articles[49] in the proposed commercial convention for the new states was adopted in the sub-committee, but proceeded no further.

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[47] The proposals were tabled in English, but only French translations are given in the *Actes*.

[48] The Third sub-Committee (*Méthodes Déloyales de Concurrence*), *Actes de Versailles* vol. 2 pp. 495-496 (summary of work), 497-500 (minutes of first meeting, UK and French proposals), 501-518 (subsequent proceedings).

[49] *Actes de Versailles* vol. 2 p. 515 (Third sub-Committee, minutes of meeting of 11 April 1919). The draft article corresponding to Article 274 was in less peremptory terms, and subject to reciprocity, but otherwise similar to that proposed for Germany. That corresponding to Article 275 amounted to no more than a declaration of intent with a view to a future Convention dealing generally with regional *appellations* for all products deriving their character from soil or climate.

At this stage, the obligations of what became Article 275 were framed in absolute terms, but when the Plenary Economic Committee adopted the Anglo-French proposal it was subject to a condition of reciprocity being inserted, on the insistence of the American delegation. Article 274 remained without any such condition.

Before dismissing the importance of these two articles to the development of the Paris Convention, some potential misconceptions should be anticipated and avoided. First, though Germany was a signatory to the Washington Act of the Paris Convention and already had its own wide-ranging unfair competition law in the form of the *Gesetz gegen den unlauterer Wettbewerb* 1909 (the UWG), the Allies obviously felt that in its practical application this law was inadequate to protect non-German interests fairly. The main Allied concern may well have been the protection of certain, especially French, geographical indications (bearing in mind that Germany was not a party to the Madrid Arrangement) but that was certainly not all: "*Les abus de la législation allemande en ce qui touche les marques et les appellations d'origine sont supprime par les deux articles relatifs aux méthodes déloyales de concurrence*."[50] Secondly, although the perceived need for provisions such as these may have been exacerbated by the War, they were in no way concerned with providing remedies for the numerous acts of unfair competition which must have taken place during wartime conditions. On the contrary, the European parties to the peace settlement agreed a complete amnesty for infringements of industrial property which had occurred on either side during the hostilities.[51] Articles 274 and 275 looked forwards, not backwards.

Finally, although Germany had no say in the terms of Articles 274 and 275, the first of these especially was by no means simply an example of the Allies exercising the prerogatives of victory. More stringent proposals (such as obliging Germany to accede to the Madrid Arrangement, or making Article 275 independent of reciprocity) had been contemplated and rejected. As for Article 274, it was the model used by the League of Nations when it came to strengthening Article 10bis of the Paris Convention, and in due course it provided a stepping stone to the proposals considered (and to some extent adopted) at the 1925 Hague Conference. The imposition of Article 274 on Germany was undoubtedly one-sided, as were the obligations it created in international law, but the standard of commercial morality it imposed was hardly unduly onerous. It could even be argued that what was required under Article 274 went no further than the existing terms of the UWG. On this basis, all that Article 274 added was the formal and explicit international engagement of Germany.

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[50] *Actes de Versailles* vol.1 p. 237.

[51] Article 309 of the Versailles Treaty. This expressly did not apply as between the United States and Germany.

The League of Nations: 1921-1925

2–34 After the Treaties of Peace concluding the First World War, international efforts against unfair competition initially proceeded under the sponsorship of the League of Nations, rather than the International Union. This was again on the initiative of the United Kingdom, but the original reason for proceeding by way of the League is obscure. It may have been that the League was in permanent session, whereas the International Union was formally confined to acting through periodic revision conferences, with the timing of the first post-War conference (at the Hague) being uncertain and unacceptably distant. The relevant Committee of the League was also smaller, and more amenable than the full Assembly of the International Union. A further reason may have been that from the very beginning these League proposals included mandatory provisions for criminal enforcement, in some cases at the suit of legal persons who would have had no *locus standi* under existing domestic laws, and the International Bureau regarded this as an intrusion into an area traditionally reserved to the individual member states. In due course the consideration which prevailed was that the United States and (until the end of this period) Germany were members of the International Union, but not of the League.[52]

The Covenant of the League of Nations (which constituted Part I of the Versailles Treaty of 1919) contained at Article 23(e) an obligation on the members of the League to "make provision to secure and maintain … equitable treatment for the commerce of all Members of the League." Basing itself on this provision, one of the first official acts of the Economic Section of the Provisional Economic and Financial Committee of the League was to identify unfair competition in international trade on a shortlist of priorities, and to circulate to the League's member states a questionnaire enquiring about the existing state of their laws with regard to import and export restrictions, monopolies, and unfair competition.[53] On the basis of replies received (and with the comments of Dr Rothlisberger of the International Bureau) the Economic Committee produced a "Report on Unfair Competition, Particularly in Relation to False Marks and Indications" with recommendations for "Rough Heads of Articles of Convention on Unfair Competition."[54] The Economic Committee also confirmed its opinion that the obligation to secure

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[52] From December 1921, the exercise was carried forward by the League in cooperation with the International Bureau and with a view to amending the Paris Convention at the Conference originally expected to take place at the Hague in 1922 or 1923. However the International Bureau did not play a central role until shortly before the Hague Conference actually took place in 1925, and the possibility of a freestanding convention remained as an option if that had failed.

[53] [1921] *League of Nations Official Journal* p. 55 (Report of First Session); p. 58 (terms of questionnaire and covering letter).

[54] See below. For adoption of the Report by the Council of the League of Nations, see [1922] *League of Nations Official Journal* p. 618 at (5).

equitable treatment for commerce under Article 23 (e) included "an obligation to suppress all forms of fraudulent trade competition by which other members of the League may be prejudiced."[55]

2–35 The Report itself[56] began by reciting the Committee's mandate and describing the existing international regimes, including those under Articles 274 and 275 of the Versailles Treaty.[57] Of Article 10bis of the Paris Convention (in the 1911 Washington Act) it was said that

> "[A]lthough it marks a considerable advance in principle, it has not hitherto produced any practical results … partly because of the extremely vague and general character of the undertaking, the absence of any international jurisdiction to enforce it, and the entire lack of any detailed indications of the precise character of the frauds at which it is aimed and of the legal and administrative remedies which are necessary for their suppression."

Recommendations were made for members of the League to adhere to the Paris Convention (if they were not already members), and for strengthening Article 10bis of the latter in six respects: by affording "really effective remedies to persons aggrieved by acts of unfair competition" including official and trade representatives; providing a comprehensive definition of the "unfair" practices constituting unfair trade competition[58]; prohibiting the registration of trade marks embodying public emblems and the like; dealing with abusive registration of foreign-owned trade marks and enabling improperly registered marks to be removed from the register; and enabling differences of interpretation or performance of the Convention between member states to be resolved by an international tribunal.

These recommendations were elaborated in the three Rough Heads of Articles of Convention on Unfair Competition which were annexed, with a commentary. Draft Article 1 provided:

> "The Contracting States undertake to make effective provision to ensure that persons (including companies) aggrieved by the manufacture, sale, or offering for sale, within the territories of the respective States, or by the importation into or exportation from those territories of goods improperly bearing a trade mark or trade name or bearing a false or misleading indication of geographical or commercial origin, or any figures, words or marks,

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55 [1922] *League of Nations Official Journal* pp. 624-625, at III (5).

56 [1922] *League of Nations Official Journal* pp. 625-632. Ladas identifies the author of the Report as Sir Hubert Llewellyn Smith, which is confirmed at [1923] *Propriété Industrielle* p. 191 and by documents in the UK Public Record office.

57 The Report's treatment of false indications of origin, especially in relation to the Madrid Arrangement, is omitted here.

58 "The definition should embrace the improper use of trade-marks and names and false and misleading indications of geographical or commercial origin, or of the manufacturer of or dealer in the goods. It should also include written misdescriptions even if not physically attached to the goods."

> or arrangement or combination thereof, whether including a trade mark or not, as are calculated to lead persons to believe that the goods are the manufacture or merchandise of some person other than the person whose manufacture or merchandise they really are, shall have an adequate remedy at law against such abuses, and that proceedings may be taken in respect thereof by the duly authorised official or trade representative of the person aggrieved.
>
> The provisions of this article shall extend to written misdescriptions even if not physically attached to the goods."

The second draft article dealt with the two kinds of trade mark abuses, and the third proposed submission to the Court of International Justice or to arbitration. The Report concluded by recommending that members of the League should strongly support appropriate amendments to the Paris Convention at the proposed Hague Conference.

2–36 Further progress initially depended on members of the League (and the International Bureau[59]) replying to the draft proposals, and when these were more or less complete Japan submitted a request for a meeting of experts in advance of the Hague Conference. This was approved, and revised draft articles, together with four specific questions, were prepared for the experts' meeting.[60] The revised draft of Article 1 now read:

> "The Contracting States undertake to ensure on their territory an adequate remedy at law to all persons or companies aggrieved by the manufacture, sale, offering for sale, within the territories of the respective States, or by the importation or exportation of goods bearing trade-marks or trade-names to which they have no right, or bearing marks, names, inscriptions or any kind of signs (or combinations of such elements) improperly used, and giving directly or indirectly false indications of the geographical or commercial origin of the said goods or in regard to the identity of the producer or seller, and also to ensure that proceedings may be taken in respect of such abuses by or at the instance of the duly authorised official or trade representative of the person aggrieved. The measures provided in the present article shall extend equally to inaccurate descriptions of the kind referred to therein, even when not physically attached to the goods."

The four specific questions for the experts concerned: better international protection for regional appellations for products deriving their characteristics from soil or climate; the possibility of allowing

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59 The International Bureau proposed a draft article on much more expansive lines than the League favoured, prohibiting unfair competition both by way of a general clause ("…*une protection effective contre les actes generalement désignes sous le nom d'actes de concurrence déloyale*… ") and including four specific prohibitions against passing-off, abusive advertising and publicity, denigration, and *débauchage* (or "labour piracy"); but leaving all questions of remedies and enforcement to national law. This draft article quite closely corresponded to contemporary proposals by the French Group of the AIPPI. See *Actes de la Haye* (1926) p 96.

60 [1923] *League of Nations Official Journal* pp 1440; 1443-1444.

criminal proceedings to be taken by a representative of a contracting state, in another state, in the general interests of his state's commerce[61]; the possibility of drawing up an illustrative but non-exhaustive list of acts of unfair competition as an annex to the Paris Convention; and the desirability of including a recommendation for states to provide effective remedies against commercial libel.

2–37 The meeting of experts took place in Geneva in May 1924, with 22 member states of the League sending representatives, and with the Director of the International Bureau also attending as an observer.[62] The terms of reference of the meeting made it clear that it was advisory only: the experts were encouraged to give their personal opinions and had no authority to bind their respective governments. Collectively, the meeting approved the general principles of the previous draft articles (except for proposed Article 3, conferring international jurisdiction, which they unanimously considered to be outside their remit). Their Report to the Economic Committee of the League recommended separate treatment of trade mark infringement and other acts of unfair competition, so that instead of draft Article 1 there would be two articles A and B, with the latter being intended to supplement the ineffective and imprecise provisions of the current Article 10bis:

> "A. The Contracting countries undertake to assure to the nationals of the other Contracting countries legal redress—which shall include penal remedies—in the case of any fraudulent use of the marks of such nationals.
>
> B. 1. The Contracting States undertake to assure to the nationals of other Contracting States in their respective territories effective protection against unfair competition.
>
> More especially, they agree to adopt suitable civil measures and, in cases of fraud, suitable penal measures in regard to the use in commerce of trade designations (names, styles of firms, headings of printed matter and other signs of all kinds, *e.g.* emblems, get-up etc.) intended to distinguish the products or goods of a producer, manufacturer, or merchant, and also in regard to the use of descriptions or pictorial representations, or a combination of the two, or any other indication relating to the origin of the products or the goods, when such use is obviously of a nature to create either confusion with the goods of another person, physical or judicial, or an error as to the real origin of the goods.
>
> Proceedings may be taken by any person or company aggrieved and, in the case of an action for an injunction or of criminal prosecution, by any association or person representing the special industry thus prejudiced.[63]

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[61] Such action for the benefit of specific victims of unfair competition already being contemplated by draft Article 1.

[62] [1924] *League of Nations Official Journal* pp 946-947; 950-953 (the Experts' Report); [1925] *Propriété Industrielle* pp 99-103 (also listing the individual participants).

[63] This sub-paragraph was adopted by a majority, with minorities either preferring a slightly different text , or considering that the whole issue should be left to national law.

> 2. The provisions of the foregoing paragraph shall also apply to colourable initiations of the above-mentioned *designations* or *descriptions* when such imitations, although not in all respects exact copies of the original, are likely to cause confusion or mistakes.
>
> 3. The provisions of Article 9 of the [Paris] Convention shall apply to any product or to any goods which directly or indirectly bear a false indication as to the origin of the products or goods, or as to the identity of the producer, manufacturer or merchant.[64]"

Other articles (C and D) dealt with abuses of the registered trade mark system. So far as the four specific questions were concerned, majorities considered it desirable and feasible to draw up an illustrative list of practices to be included under the head of unfair competition, in which commercial libel should be included, but that it was not possible to produce such a list instantly. An international regime for better protecting geographical appellations was regarded as premature, and there was next to no support for the kind of criminal proceedings contemplated by the second of the four questions.

2–38 The final chapter in the involvement of the League of Nations followed the Geneva meeting of the experts. The Economic Committee formulated a series of amendments to the Paris Convention to be tabled by a suitable member state at the forthcoming Hague Conference (the League as such having no official standing) and, it was to be hoped, supported by the other members of the League.[65] The proposals for the new Article 10bis corresponded precisely to Article B paragraphs (1) and (2) of the draft produced at the Geneva Expert's meeting.[66] In addition, a declaration would have been inserted in the final Protocol in the following terms:

> "In order to avoid doubts it is hereby declared that the term 'unfair competition' mentioned in Articles 2 and 10bis of the Convention signed this day is not to be understood as being limited to the particular abuses specified in the second paragraph of Article 10bis, but as including all other methods of fraudulent misdescriptions of goods, as, for example, false statements as to material or mode of manufacture, false claims to awards or certificates in respect of goods, in so far as such practices are prejudicial to international commerce."

Although not included in the formal amendments to the Paris Convention, the Committee also supported the earlier proposal for an international institution to adjudicate disputes under the Convention.

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64 This paragraph was also adopted on a majority vote.

65 [1924] *League of Nations Official Journal* pp 1472-1474 (Economic Committee), 1479-1484 (proposed amendments); [1925] *Propriété Industrielle* pp 56-57.

66 Article B(3) was now to be included in Article 10 of the Paris Convention. The draft provisions on abuse of the registered trade mark system were also proposed for inclusion in the appropriate places.

The various proposals of the League of Nations were duly included or noted in the *travaux préparatoires* for the 1925 Hague Conference.[67] It will be seen that they were influential to the drafting of the revised Article 10bis proposed by the International Bureau in the Programme, and that the United Kingdom simply adopted the League proposals as its own. After discussion of the new Article 10bis was complete, the Conference recorded its appreciation of the League's work.[68]

The 1925 Hague Conference: the Programme and national proposals

2–39 The International Bureau's Programme for the 1925 Hague Conference[69] mentioned the efforts of previous conferences to legislate against unfair competition, and evidence for the post-War consensus that the Washington text was completely inadequate. The Programme therefore proposed an almost entirely new Article 10bis, drafted so as to give effect to four principles: first, not to disturb the existing structure of the Convention so that, for instance, provisions specifically relating to trade marks or indications of provenance were dealt with in their respective sections rather than as part of a general unfair competition clause; secondly, to attempt to formulate a general definition of unfair competition (though none could ever be complete) followed by a non-exhaustive list of examples; thirdly, to list the typical abuses against which the contracting states were to be required to take appropriate measures; and finally, to establish a uniform standard for the availability of legal proceedings. It will be seen that the first principle was met, though not without opposition; that the second and third also prevailed, though in much more limited form (even today) than the Bureau would have preferred; but that the fourth has made next to no progress.[70]

2–40 In detail, the Programme recommended two minor drafting amendments to the existing Article 10bis[71] and the addition of three substantial new paragraphs to it. The new Article 10bis would have read:[72]

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67 [1925] *Propriété Industrielle* pp 166-169 (general overview), *ibid*, 190-196 (specific to unfair competition). *Actes de La Haye* (1926) pp 97 (the six recommendations of the Economic Committee from 1922), 97-100 (1922 draft Articles, 1924 Expert's meeting, proposed declaration on Article 10bis, Council approval of Economic Committee proposals), 253 (background to the Programme of the International Bureau).

68 *Actes de la Haye* (1926), p. 480.

69 *Actes de la Haye* (1926) Point IX, pp 252-255.

70 The Programme also raised, but did not pursue, the question of protection for news of the day, which is outside the scope of the present work.

71 Changing "*s'engagent*" to "*sont tenus*" and "*de Union*" to "*des autres pays contractants*."

72 The paragraph numbers 1 to 4 are not part of the text, but are inserted for convenience.

1. Les pays contractants sont tenus d'assurer aux ressortissants des autres pays contractants une protection effective contre la concurrence déloyale.

2. Constitue un acte de concurrence déloyale tout acte contraire aux usages honnêtes en matière industrielle ou commerciale, par exemple l'apposition sur des produits, marchandises, emballages, papiers d'affaires ou documents commerciaux, de mentions trompeuses de récompenses industrielles (médailles, diplômes, distinctions honorifiques, prix, etc.); les fausses déclarations relatives a la matière première ou a la mode de fabrication des produits; la réclame fausse; le fait de discréditer injustement les produits ou marchandises d'un concurrent, etc.

3. Les pays contractant conviennent, en particulier, de prévoir des mesures appropriées d'ordre civil et, en cas de pratiques frauduleuses, d'ordre pénal, en ce qui concerne l'usage industriel ou commercial, manifestement de nature a créer soit une confusion avec les produits ou marchandises d'autrui, soit une erreur quant a l'origine véritable de ces produits ou marchandises:

   a) de marques de fabrique ou de commerce;

   b) emblèmes, armoires, signes ou poinçons officiels de contrôle et de garantie;

   c) désignations commerciales servant a distinguer les produits ou marchandises d'un producteur, fabricant, ou commerçant, telles que noms, firmes, titres d'imprimés et autres signes de tout genre comme enseignes, conditionnement, etc.,;

   d) descriptions ou représentations figuratives ou de leurs combinaisons;

   e) de toute autre désignation se rapportant a l'origine du produit ou de la marchandise.

4. Toute personne physique ou morale lésée, ainsi que, dans le cas d'actions en cessation du trouble ou actions pénales, les syndicats et associations constitués dans leur pays d'origine, auront le droit d'agir ou d'intervenir en justice a raison de tous les actes de concurrence déloyale.

2–41 Draft Article 10bis of the Programme may be divided into 4 parts. First, there is the single paragraph carried over from the 1911 Washington version by which the contracting states undertake to provide effective protection against *concurrence déloyale*, but strengthened slightly by the stronger language of "*sont tenus*" and clarified so as not to create any obligations of the states towards their own nationals.[73] On its own, this would hardly have remedied the perceived failings of the previous text, so there follows a general definition of *concurrence déloyale* in terms of all acts contrary to honest practices in industrial or commercial matters, followed by a list of representative (but non-exhaustive) examples of these in which there is typically some kind of fraudulent misrepresentation or misdescription, but not one such as to induce confusion in the normal trade mark sense. The third paragraph addresses various malpractices by which confusion with the goods of another, or more generally, mistake as to origin, might be induced and requires the availability of civil remedies in all such cases, and criminal ones in cases of fraud. The

[73] This clarification, though approved by the Hague Conference in principle, seems subsequently to have been lost in the process of drafting and re-drafting, leaving even the present (1967) version of the Article in its original 1911 form in this respect.

fourth and final paragraph is wider still in procedural terms: anyone injured by an act of unfair competition is to have a right of action; and in actions for an injunction, or criminal prosecutions, there is to be a right for trade associations to sue or intervene.

Several national delegations proposed variants on the draft Article of the Programme, or drafts of their own. In view of their length, and the fact that many of them more or less followed the programme, these can only be summarised here.

2–42 The United Kingdom formally proposed the amendments to Article 10bis which had been adopted by the League of Nations.[74] In addition, and also in accordance with the League's recommendations, the United Kingdom would have added a provision to the *Protocol de Clôture* stating that the interpretation of "*concurrence déloyale*" in Articles 2 and 10bis was not to be confined to the circumstances of paragraph 2 in the U.K. numbering (3 in the Programme) of the latter, but extended to other fraudulent or misleading acts in relation to goods, in so far as they adversely affected international trade. The official instructions of the Board of Trade to the British delegation identified unfair competition as their highest priority:

> "His Majesty's Government attach special importance to the proposals which have been put forward on behalf of Great Britain in connection with articles 6, 6a, 6b, 9 10 and 10bis for securing more effective international protection against unfair competition. As you are aware, these proposals were originally framed by the Economic Committee of the League of Nations who consulted a Conference of Experts which met at Geneva in May, 1924. They received the approval of the League of Nations, and every endeavour should be made by you to maintain the measure of international agreement which has thus been obtained, and to secure the incorporation of the League's proposals in the Convention."[75]

In other respects the instructions were restrictive. In the specific context of Article 10bis it was said:

> "In dealing with the various texts submitted for this Article, you will aim generally at securing as little divergence as possible from the text agreed at the League of Nations meeting, and embodied in the British proposals, In particular you will resist all amendment designed to bring within the scope of the Article matters of unfair competition (such as the

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[74] Compared to the Programme, this meant that para. 1 was retained with some drafting amendments; para. 2 was to be deleted; para. 3 retained in general terms, but with the individual instances (a) to (e) deleted; and para. 4 substantially retained.

[75] UK Public Record Office file BT 209/706, letter of 30 September 1925. The instructions went on to say that if agreement could not be reached at all, or reached only on terms which deprived the League of Nations proposals of their value, then the British delegation was authorised to propose a separate Convention dealing specifically with unfair competition, to be considered at a subsequent conference which might be convened by the League of Nations or some other suitable international body.

> protection of press information, or trade libel, bribery &c.) which are not connected with what is known as industrial property, or which are not well known grievances in international trade."

2–43 France and Germany may be said to have favoured proposals framed in much more general terms than those of the Programme or the League of Nations, rejecting both the excessive detail of the Programme, and the relatively narrow scope of the League's proposals.[76] Those of Germany were the more concise.[77] Paragraphs 1 and 4 of the programme would have been retained (the latter with a drafting amendment); paragraph 2 would have been stripped down to the general proposition defining "*concurrence déloyale*" in terms of acts contrary to honest practices in industrial or commercial matters, with the list of examples deleted;[78] and paragraph 3 would have been replaced in its entirety with three new sub-paragraphs addressing various kinds of false or misleading advertising, confusion, and disparagement. The French proposal[79] was for entirely new Articles 10bis and 10ter, in which "*concurrence déloyale*" was defined to in very broad terms starting with familiar examples and culminating in "*tous les actes contraires a la loi, aux usages commerciaux, ou a l'équité*." More specific articles dealt with false indications of origin and the like, and passing-off, in terms generally consistent the League of Nations proposals. New Article 10ter provided for trade associations to have *locus standi*. The proposal of Italy[80] is notable for the simple elegance which with it dealt with the major problems—without limiting itself to cases involving goods and without attempting to invoke a general clause. After retaining only the first paragraph of the Programme, it would have read:

> "Est coupable de concurrence déloyale celui qui, dans le but de détourner la clientèle d'un concurrent:
>
> a) fait usage de noms et signes distinctifs propres a engendrer confusion avec les noms et signes légitimement adoptes par autrui;
>
> b) décrie les produits ou les services d'autrui;
>
> c) excite les dépendants d'autrui a la violation des devoirs fixés par la loi ou par le contrat;
>
> d) fait usage d'indications de provenance fausses, a moins qu'il ne s'agisse de désignations d'usage courant."

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[76] Both Germany and France also initially addressed as an act of unfair competition, the problem of fraudulently registered trade marks. This does not correspond to the eventual treatment of the issue in the Convention, and is not further considered here.

[77] *Actes de la Haye* (1926) p. 349.

[78] As was subsequently adopted.

[79] *Actes de la Haye* (1926) p. 349-350.

[80] *Actes de la Haye* (1926) p. 350.

The 1925 Hague Conference: the discussions and outcome

2–44 At the Hague Conference itself, the change from "*s'engagent …*" to "*sont tenus d'assurer*" was readily and unanimously agreed, though being recognised as little more than a gesture. Thereafter, the discussions at the Conference can only readily be followed if the issues are broken down (following the treatment in *Actes de la Haye*) into the following groupings: (1) the terms of any general clause against unfair competition and its intended legal effect; (2) specific kinds of unfair competition against which mandatory protection was considered, namely confusion, disparagement, false advertising, *débauchage*,[81] and misuse of news of the day; and (3) the legal nature of the action against unfair competition, and specifically the extent to which civil and/or criminal sanctions were to be mandatory, the *locus standi* of parties who did not suffer damage (including trade associations), and the desirability of special legislation.[82] In accordance with normal practice, policy decisions were taken in principle by the relevant sub-committee, the resulting texts were edited as necessary by a drafting committee, and finally adopted (if necessary, after further debate and amendment) in plenary session, where unanimity was required. In the case of Article 10bis discussions took place both in sub-committee IV itself, and in a smaller ad hoc committee or working party which reported to sub-committee IV.

2–45 So far as the *general clause* was concerned, there was little opposition in principle to the (truncated) proposition in the Programme, reading "*constitue un acte de concurrence déloyale tout acte contraire aux usages honnêtes en matière industrielle ou commerciale*" except that France would have supported a more far-reaching form of wording in terms of "*tous les actes contraires a la loi, aux usages commerciaux ou a l'équité*." Either of these would apparently have received widespread support, but both were opposed, as being too vague and indeterminate for inclusion in an international convention, by a number of delegations including Italy, Japan, the United Kingdom and the United States. In the result, the Working Party felt unable to propose any general clause against unfair competition, but when the issue was revisited in Sub-Committee IV, the Dutch delegation revived the proposal of the Programme, and was enthusiastically supported by the French delegate, M. Maillard. The latter even suggested that it would be preferable to leave Article 10bis unchanged, rather than degrade its pre-existing generality to a listing of a few specific prohibited acts. M. Maillard's intervention must have been sufficiently inspirational for all delegations to declare themselves in support of the Franco-Dutch proposal,[83] subject only to the United States (supported by the United Kingdom) requesting clarification

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[81] Inducing employees of a competitor to break their contracts or legal duties, sometimes translated as "labour piracy."

[82] *Actes de la Haye* (1926) p. 472 onwards (Report of sub-committee IV.)

[83] Unless it be thought that M. Maillard was contemplating vetoing any further and more detailed improvements to the Article; or even (from the second part of his reported intervention) that he

that only acts in the course of commercial competition were being referred to.[84] With this proviso, and subject to an unimportant reservation entered by Belgium, this was passed unanimously.[85]

2–46 Turning to specific instances of unfair competition, attention was directed in turn to five topics under the names of confusion, denigration, false advertising, *débauchage*, and news of the day.[86] So far as *confusion* was concerned, there was unanimity on the need for a specific provision and the only disagreement was over its terms. The working party rejected the Programme's listing of a number of means of causing confusion, on the basis that enumerations of this kind only lent themselves to restrictive interpretations. There was discussion as to whether confusion was to be understood only in terms of physical products (*marchandises et produits*), or also in terms of the person and establishment of a trader, and in the interests of clarity only the former was addressed.[87] After a discussion initiated by Italy, it was agreed to make it explicit that only confusion with the products *of a competitor* was relevant, but that liability (as opposed to remedies) would not depend on the presence of bad faith.[88] The provision proposed by the working party and adopted by the sub-committee read: "*… tous faits quelconques de nature a créer une confusion par n'importe quel moyen avec les marchandises ou produits d'un concurrent.*"

On denigration (*dénigrement*) the sub-Committee unanimously adopted the text: "*… les allégations fausse dans l'exercice de commerce, de nature a discréditer les marchandises ou produits d'un concurrent*." Great Britain and the United States had some reservations which they did not press, and France would not have confined the prohibition to disparaging statements which were untrue. In view of the (still-outstanding) question of whether the common law of injurious falsehood complies with the Paris Convention, it is interesting to record how the report of the sub-committee distinguished *dénigrement* (the concept under discussion) from *diffamation*: "*… la notion du dénigrement est plus large que celle de diffamation, notamment qu'elle n'implique pas une intention injurieuse. Ce qu'on veut*

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might have been hinting that France could re-open the issue of compulsory working of patents, where an accommodation satisfactory to certain other member states had been reached.

[84] "*… qu'il ne s'agit dans les faits vises que de la concurrence commerciale*."

[85] *Actes de la Haye* (1926) p. 475, at I.

[86] *Actes de la Haye* (1926) p. 475, at II, and onwards: (1) *Confusion* at p. 476, (2) *Denigration* at p. 477, (3) *Reclame fausse* at p. 477, (4) *Le debauchage* at p. 478, and (5) *Les informations de presse* (supported only by the Serb-Croat-Slovene state, and not further considered here) at p. 478.

[87] This was, of course, remedied at the 1934 London Conference.

[88] It is a reasonable inference that some kind of bad faith or fraudulent intent might be a pre-requisite for an award of damages.

frapper c'est le fait de discréditer un concurrent par des affirmations contraires a la vérité." As with the previous subject, confusion, only disparagement of a competitor's products was addressed and not disparagement of the person or establishment of the competitor himself.[89]

On false advertising or publicity[90] (*réclame fausse*) there was fundamental disagreement as to whether this kind of conduct was an aspect of unfair competition law or consumer protection law, and those in the latter camp objected that it was a matter for national law alone, and was unsuitable for inclusion in an international convention. Since agreement was impossible, no specific proposal was formulated or adopted. A provision dealing with *débuachage* was supported only by France and Italy, and as several delegations found it unacceptable, also went no further.

Finally, on the question of sanctions the sub-Committee noted the existing diversity of legal actions and remedies by which unfair competition was sought to be suppressed,[91] and the impossibility of stipulating uniform procedures or remedies. In the event, the only concrete proposal was that adopted as the second paragraph of Article 10ter.

The 1934 London Conference

2–47 The discussion of unfair competition at the 1934 London Conference was quite as extensive as at the 1925 Hague Conference, but it achieved relatively little.

The Programme for the Conference, Point XI, proposed only one substantial change to Article 10bis, namely to replace "*les produits d'un concurrent*" in the two specific prohibitions of Article 10bis (3) with "*l'établissement, les produits ou les services d'un concurrent*." The commentary very briefly explained that the 1925 text only applied to confusion or denigration relating to goods, and that there was an equal need to protect service businesses, and the enterprise or establishment itself. In due course, this was adopted unanimously.[92]

In addition, numerous proposals for amendment of Article 10bis were made by individual member states, and by various non-governmental organisations. The latter are mentioned only to the extent that

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89 This was also remedied at the 1934 London Conference.

90 In the sense of various untrue claims about a trader's own goods. The report of the sub-committee notes that the term was neither in general use, nor uniformly interpreted, and in fact there seems to have been little common ground about what was being addressed.

91 *Actes de la Haye* (1926) pp. 478-480.

92 *Actes de Londres* (1934) p. 418.

they were adopted by a national delegation, or specifically debated.[93] Germany proposed a new Article 10bis (3) 3 directed to misleading and comparative advertising, which was subsequently considered in tandem with the AIPPI proposal, below. Hungary proposed a new sub-paragraph (3) dealing expressly with the problem of substitution.[94] Italy would have introduced the words "*la personne*" instead of "*les services*" in both sub-paragraphs (2) and (3); and the United States would expressly have made the examples of Article 10bis (3) non-exhaustive ("*Seront interdits, entre autres, les actes suivantes …*"), and would have made drafting amendments to sub-paragraphs (1) and (2). These proposals by Italy and the United States were withdrawn in favour of the text of the Programme.[95]

The United States would also have added a new paragraph 10bis (4) reading: "*En l'absence, dans un pays de l'Union, de sanctions spéciales assurant la répression des actes de concurrence déloyale, seront applicables a ces actes les sanctions prévues par la législation sur les marques ou sur le nom commercial*," and this was not withdrawn.

The proposal with the most widespread support was made by Denmark, France, Norway, Sweden and Switzerland, all of which supported the proposal adopted by the AIPPI at its 1932 London conference for the addition of a third sub-paragraph reading: "*Les allégations fausses, dans l'exercice du commerce, de nature a attirer la clientèle, qui se rapportent a l'origine, a la nature, a la fabrication, a la vente des produits ou a la qualité de l'établissement commercial ou a des récompenses industrielles*."

In addition France, alone of these, would have followed the AIPPI in proposing to delete the word "*fausses*" in sub-para. (2), so as to prohibit statements which were disparaging, but true. In Sub-Committee IV, this was supported by Belgium, which would also have replaced "*discréditer*" with "*nuire*" and by Hungary and Czechoslovakia. The United States objected that truth could never be treated as discrediting, and while Italy accepted that there might be occasions for prohibiting truthful but disparaging statements in competition, it submitted that there was no justification for such an unqualified rule. The Belgian and French propositions were defeated by 13 votes to 10, and by 13 to 9, respectively.

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93 Proposals relating to news of the day ("*informations de presse*") were made by Germany and Czechoslovakia, but are not further considered in this context. Likewise a proposal by Czechoslovakia for protection of radio transmissions against unauthorised commercial use.

94 This was eventually defeated by 11 votes to 6, and is not further discussed here: *Actes de Londres* (1934) p. 419.

95 At to paragraphs (1) and (2) of Art. 10bis, the Programme of the International Bureau was accepted unanimously by Committee IV, subject to the Drafting Committee being invited to find a more elegant expression for "*services*." In due course this resulted in the present text "… *l'activite industrielle ou commerciale …* " *Actes de Londres* (1934) pp. 417-418, 469.

2–48 The remaining discussion in Sub-Committee IV concerned the proposed addition of new sub-paragraphs to the existing two of Article 10bis(3), and the possible addition of a new paragraph (4) dealing with sanctions. The proposals of the AIPPI and Germany (which were not distinguished at this stage) were approved in principle by a vote of 19 to 5, and were remitted to the Drafting Committee. The latter recommended a version based on one proposed by Switzerland, which would have read "*notamment devront être interdits: … 3° les allégations fallacieuses par un industriel ou commercent sur son établissement, ses produits et son activité commerciale, si elles sont de nature a nuire un concurrent*." However, in Plenary Session the only proposals put to the vote, and adopted without debate, were to the opening words of the Article and to sub-paragraphs 3(1) and 3(2), as indicated above.

The proposal by the United States for acts of unfair competition, in the absence of special legislation, to be subject to the same sanctions as provided for by trade mark legislation was vigorously opposed by Italy. Further discussion was curtailed, and the Sub-Committee voted in favour of the United States proposal by 11 votes to 9. Hungary, recalling (wrongly) that it was 50 years since the Convention had provided for the repression of unfair competition, also proposed a fourth paragraph for Article 10bis, which would have provided: "*De leur cote, les pays de l'Union s'engagent a prendre, dans les deux ans qui suivront la ratification de la présente Convention, des dispositions légales spéciales en vue de la répression de la concurrence déloyale, dans le cas ou ils n'auraient pas encore pris de telles dispositions*."

The United Kingdom objected that Article 10ter was sufficient, and Switzerland recalled that following the 1925 Hague Conference it had been understood that the countries of the Union were not obliged to enact any special legislation for the repression of unfair competition, and that it was sufficient for this to be dealt with by the general law. In the result, Hungary withdrew its proposal, but resubmitted it as a non-binding resolution or *voeu*, which was accepted unanimously by the Sub-Committee, and after being submitted to the Drafting Committee was adopted by the Plenary Session in the following form: "*La Conférence insiste sur la nécessité, pour les pays de l'Union, de prendre le plus tôt possible les dispositions légales afin d'assurer la répression de la concurrence déloyale*."

On the proposal of the United Kingdom, the second paragraph of Article 10ter was proposed to be amended by substituting "… *les syndicats et associations représentant les industrielles, les producteurs*[96] *ou les commerçants intéressés* … " for "… *les syndicats et associations représentant l'industrie ou le commerce intéressé* … " and (more significantly) by deleting the words "… *dans le mesure ou la loi du pays dans lequel la protection est réclamée le permet aux syndicats et associations de ce pays*" with

[96] In the original proposal, "*fabricants*." The change was proposed by France and was not opposed.

which the Article then ended. This was agreed without opposition or debate, although for reasons which are unclear only the first of these amendments was finally adopted.[97]

The 1958 Lisbon Conference: Art 10bis(3)(3) and misdescription

2–49 The only amendment to Article 10bis adopted at the Lisbon Conference was not foreshadowed in the Programme of the International Bureau, but one which resulted from a proposal by Austria on lines previously suggested by the International Chamber of Commerce.[98] It would have added to the two enumerated prohibitions of Article 10bis (3) a third sub-paragraph: "*L'emploi dans l'exercice du commerce d'indications ou d'allégations susceptible d'induire le public en erreur sur la nature (y compris le mode de fabrication), l'origine, la qualité, l'utilité ou le prix des produits, ou sur les qualités du producteur ou négociant de ces produits*."

This was originally debated in sub-Committee III, where it was approved in principle by 13 votes to nil, with 14 abstentions, but was transferred to sub-Committee IV for further discussion.[99] In the latter, it was accepted in principle without debate by 15 votes to nil, with 14 abstentions. An *ad hoc* sub-committee (chaired by the United Kingdom) produced a revised version which read: "*L'emploi dans l'exercice du commerce d'indications ou d'allégations susceptible d'induire le public en erreur sur la nature, y compris le mode de fabrication, l'origine, les caractéristiques, l'aptitude a l'emploi (ou la quantité) des marchandises*."

This proposal was duly accepted in sub-Committee IV, with little further debate, by 15 votes to nil, with 11 abstentions.[100] In plenary session, the United States (which had previously abstained) opposed the new paragraph solely because of the inclusion of the word "*l'origine*," and despite attracting 24 votes

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97 *Actes de Londres* (1934) p. 422 (Sub-committee IV), p. 470 (Drafting Committee), p. 520. A minor drafting change was also made, in line with Art. 10bis, changing "*Les pays contractants …*" to "*Les pays de l'Union …*".

98 Paris, 1956. The Austrian proposal also revived, in modified form, a proposal which had failed to find sufficient support at the 1934 London Conference, see above. The 1934 proposal was in one respect wider than that of 1958, since it was not wholly confined to misdescriptions of goods.

99 *Actes de Lisbonne* (1963), pp 725 (Committee III); 852 (Committee IV). The proposal probably originally received consideration in Committee III (trade marks) rather than Committee IV (unfair competition and indications of source) because the former was debating at length a proposal relating to use of marks on dissimilar goods which was capable of affecting either Art. 6bis or Art. 10bis, and no other amendments to the latter were included in the Programme.

100 *Actes de Lisbonne* (1963), p. 789.

in favour and only one against, with 14 abstentions, the proposal was defeated. It was immediately put to the vote again with "*l'origine*" deleted, and in this form was passed by 17 votes to nil, with 22 abstentions.[101] Australia is reported as having supported the United States position, but this does not entirely bear examination. Australia's express objection was that the Commonwealth Parliament could not legislate on issues of purely domestic importance—but out of all the contemplated subject matter for Art 10bis (3)(3) it is only "origin" that seems to have any significant international element, and its deletion would not have met the Australian objection. In the event, Australia abstained twice: both on the original proposal, and on the modified proposal in which the American objection was accepted and "origin" deleted.

After further reconsideration by the Drafting Committee, the new addition to Article 10bis (3) was adopted in the following terms.

The following in particular shall be prohibited. … 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.	Notamment devront être interdits: … Les indications ou allégations dont l'usage, dans l'exercice du commerce, est susceptible d'induire le public en erreur sur la nature, le mode de fabrication, les caractéristiques, l'aptitude a l'emploi ou la quantité des marchandises.

Well-known marks, dilution, and related proposals at the Lisbon Conference

2–50 As well as the initiative to add a third category of misrepresentations to Article 10bis, the 1958 Lisbon conference also considered at length various proposals to protect especially famous marks ("*marques de haute renommée*"[102]) against use on goods which were neither identical nor similar to those for which the mark was famous. Point XX of the Programme of the International Bureau devoted five pages to considering the proposition that there was already an international consensus against parasitic, but

[101] *Actes de Lisbonne* (1963), pp 726, 790. There is a difference as to the number of votes in favour, with Switzerland being omitted from the list at p 727, so that the count there is 16. Since Switzerland undoubtedly voted for the first version, and is not recorded as having abstained on the second vote, it is to be assumed that the listing of votes in favour, on p 727, is one short.

[102] One degree higher than "*marques notoirements connue*."

possibly non-confusing, use of highly renowned marks, citing cases from a number of jurisdictions.[103] From this discussion, it is clear that the Bureau was principally addressing the problem of the dissimilar goods being taken for those of the trade mark proprietor, with consequent damage; but was also aware of the concept of "dilution" in the modern sense, in which the complaint is not about confusion in even the broadest sense, but a gradual loss of the attractive power of the mark. Moreover, it is clear that the Bureau was considering under the same rubric liability for the actual use of highly renowned marks for dissimilar goods, and preventing the registration of such marks for dissimilar goods by third parties.

From all these factors, the issue might seem to belong principally with the trade mark sections of the Convention, and it was in the Trade Mark Committee that it was eventually discussed. However, in the Programme it was introduced by the International Bureau by way of a possible amendment to Article 10bis, and the latter possibility was among those debated.[104] After a country-by-country survey, the Bureau asked if the protection of highly renowned marks belonged to Article 6bis or to Article 10bis. The first option was supported by the AIPPI,[105] who had proposed a new fourth paragraph to Art. 6bis reading: "*La protection prévue par le présent article s'étend, sous réserve des droits acquis de bonne foi, même a l'égard de produites non identiques ou similaires, s'il s'ensuit ou bien une possibilité de confusion, ou bien un avantage injustifié, ou bien un affaiblissement réel du caractère distinctif ou du pouvoir attractif de la marque*." However, the Bureau preferred the view that liability for use of highly renowned marks on dissimilar goods belonged to the realm of unfair competition, and that trade mark law properly so called was concerned only with use of the mark on identical or similar goods. In the result, the International Bureau made no proposals of its own for the further protection of highly renowned marks under either Article 6bis or 10bis, partly because it was of opinion that Art10bis already provided sufficient protection.

2–51 Several such propositions and observations were made by individual member states or non-governmental observers,[106] with those that made any progress being summarised below. In the event, none of these various proposals were adopted, but the debate casts some light on some of the limitations of Article 10bis itself, and on the extent to which there was support for extending its protection. In what

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[103] *Actes de Lisbonne* (1963), p. 705 *et seq*. The United Kingdom took pride of place, apparently by virtue of the 1898 *Kodak* case. Examples from elsewhere, in so far as they can be dated, mostly appear to come from the 1940's onwards, and none are as early as *Kodak*.

[104] All the debate took place in Committee III (Trade Marks), rather than Committee IV (Unfair Competition and Indications of Source).

[105] The *Association pour la Protection de la Propriété Industrielle*.

[106] *Actes de Lisbonne* (1963), p. 709 *et seq*.

follows, emphasis is given to aspects of Article 10bis, and proposals specifically directed to Article 6bis or to a new *sui generis* Article are given a relatively abbreviated treatment. However, it is impossible to avoid reference to the former, because the debate on protection of highly renowned marks against use on dissimilar goods was preceded by a lengthy debate on the protection of "*marques notoirement connue*" in the context of Article 6bis.

So far as concerns the discussion of Point XX of the Programme in Committee III and *marques de haute renommée* properly so called, UNIFAB[107] proposed a slightly extended version of the AIPPI text, the latter also being formally supported by Denmark and Sweden. Iran proposed that the issue should be dealt with by an amendment to Article 10bis, and was supported in this by Yugoslavia, the United States and Germany. France opposed amendment to Article 6bis or adoption of a separate article, considering that the treatment of "*confusion*" in the existing text of Article 10bis was adequate. Japan objected that the concept of confusion in Article 10bis was limited by the word "*concurrence*," and that "*d'un concurrent*" should be replaced with "*d'autrui*." This in turn was opposed by Italy, as potentially extending Article 10bis too far. The Netherlands basically supported the proposal of the FIIC.[108] Belgium supported the UNIFAB text in principle. The United States thought that the concept of unfair competition already covered use of a well-known mark on different products, but would have supported a new article following Article 6bis.

In the result, six propositions were put to a vote:[109] (a) that of Japan, to retain Article 10bis but with the word "*concurrent*" in paragraph (3) replaced with "*d'autrui*"—the United Kingdom and Israel[110] supported this proposal; (b) of the Netherlands, to include a new Article 10bis(4); (c) of Portugal, to include a new Article 6bis(4); (d) of UNIFAB (supported by Germany) and the LICCD[111] to draft a separate Article; (e) of the United States, to extend the benefit of Article 6bis to dissimilar goods, in the case of marks with an exceptional reputation; and (f) of Sweden, to adopt the AIPPI draft for a new Article 6bis (4).

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107 The *Union des Fabricants*, present as an observer.

108 *Fédération Internationale des Ingénieurs-Conseils*.

109 *Actes de Lisbonne* (1963), p. 717.

110 Israel would also have amended "*concurrence déloyale*" to "*practiques commerciales déloyale*" in Art. 10bis(1). This was opposed by the United States.

111 The *Ligue contre la Concurrence déloyale*.

2–52 In this confused state of affairs, a series of votes was taken.[112] The general proposition for protection of a mark on dissimilar products attracted 20 votes in favour, 3 against, and 3 abstentions. Including such a provision in Article 6bis was rejected by 6 in favour to 16 against, with 6 abstentions; but introducing it into Article 10bis was rejected by a larger margin: 1 in favour to 10 against, with 9 abstentions. Since this implicitly favoured a separate article, votes were taken on its terms. The proposal of the Netherlands received 6 votes for, 3 against and 16 abstentions; parts common to the proposals of UNIFAB, Sweden, the AIPPI and the International Chambers of Commerce received 10 for, 4 against and 11 abstentions.[113] The Portuguese proposal was withdrawn. In the result, the Drafting Committee was asked to prepare the text of a new Article based on the AIPPI, UNIFAB and ICC proposals. This resulted in a further selection of three drafts,[114] which would have created a new article numbered either as new Article 6septies (UNIFAB) or as new Article 10ter (Netherlands and a compromise proposal initiated by the Drafting Committee), in the latter case with the existing Article 10ter being renumbered as Article 10quater.

All three of these drafts were initially opposed by the United Kingdom, on the ground of excessive detail and lack of flexibility.[115] Objections of principle were taken in varying degrees by Italy, but especially by Austria and Yugoslavia. A compromise proposal by the United States and Italy was put to the vote, and attracted 18 votes in favour (including the United Kingdom), 3 against, and 6 abstentions. It would have read:[116]

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[112] *Actes de Lisbonne* (1963), p. 710.

[113] Sub-proposals of UNIFAB to provide the same protection to trade names were accepted (16:1:11) but rejected for emblems (nil in favour) and slogans (1:18:7).

[114] *Actes de Lisbonne* (1963), p. 721 *et seq*.

[115] In contrast, the United States objected to the UNIFAB-based draft as too imprecise, and resubmitted a draft of its own with the support of Italy.

[116] *Actes de Lisbonne* (1963), p. 723-724.

The registration or use of the trademark or tradename of another party for dissimilar products is prohibited as contrary to commercial loyalty when due proof is given that such mark, by reason of its unique character and its celebrity, has acquired such a reputation that it may induce the belief in the trade or in the general public of establishing a commercial connection between the user or applicant for dissimilar goods and the proprietor of the mark enjoying such exceptional reputation.[117]	L'enregistrement ou l'usage de la marque ou d'un nom commercial d'un tiers pour des produits dissemblables est interdit comme contraire a la loyauté commerciale, des qu'il est régulièrement démontré que cette marque, en raison de son caractère unique et de sa célébrité, a conquis une telle réputation qu'elle incite ceux qui l'emploient commercialement ou le grand public a établir un lien commercial entre l'utilisateur ou celui qui procède a l'enregistrement de la marque pour des produits dissemblables et le propriétaire de la marque bénéficiant d'une réputation exceptionnelle.[118]

In the light of the vote, and the continuing opposition by Austria and Yugoslavia (the third opponent, Belgium, having less fundamental objections which might have been met by redrafting) the Chairman decided that that it was futile to make any formal proposals to the full Conference. This was challenged by the United States and by the Vice-President of the Drafting Committee, who thought that a working party consisting of the two main proponents and the three opponents might still be able to make progress. However, the Chairman disagreed, and neither the Italian-American proposal nor any of its antecedents proceeded any further.[119]

A vote on the Japanese proposal to replace "*concurrent*" with "*autrui*" in Article 10bis (3) was passed by 11 votes to 3, with 12 abstentions; and on the suggestion of Belgium the drafting committee was also invited to remove the words "*de concurrence*" in paragraph (2).[120] The resulting proposal from the drafting committee would also have removed the words "*de concurrence*" from Article 10bis (2) and in Article 10bis (3) would have substituted "*d'un concurrent*" with "*d'un tiers*." However, when this proposal returned to the Committee, Israel (which had supported the original Japanese amendment) objected that the former amendment would extend the Article too far; and Italy and Austria also announced their opposition. This also made no further progress.[121]

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[117] The English text given here follows Stephen Ladas, *Patents, Trademarks and Related Rights—National and International Protection* (1975) § 684, Ladas being one of the authors of the proposal.

[118] The status of this Article as part of the law of trade marks, or unfair competition, was deliberately left undecided (Ladas, *op. cit.*), and its language would fit either. Its predecessor would have been fitted into the Convention after Art. 6bis.

[119] *Actes de Lisbonne* (1963), p. 724.

[120] *Actes de Lisbonne* (1963), p. 721.

[121] *Actes de Lisbonne* (1963), p. 722.