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1 ARTICLE 2 AND INCORPORATED PROVISIONS OF THE PARIS CONVENTION (1967)

1.1 Text of Article 2

Article 2

Intellectual Property Conventions

1. In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).

2. Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits.

1.2 Article 2.1 of the TRIPS Agreement

1. In Australia – Tobacco Plain Packaging, the Panel considered that the ordinary meaning of the term "in respect of", together with the grammatical structure of Article 2.1, suggests that Members shall comply with the identified provisions of the Paris Convention (1967) as those Paris Convention provisions relate to Parts II, III and IV of the TRIPS Agreement. It understood this reference to relate to the subjects addressed in Parts II, III and IV, namely standards of protection, domestic enforcement, and acquisition and maintenance of intellectual property rights. The Panel noted the Appellate Body’s determination in US – Section 211 Appropriations Act that the words “in respect of” in Article 2.1 do not have the effect of “conditioning” the scope of Members’ obligations under the articles of the Paris Convention (1967) incorporated into the
TRIPS Agreement, and its conclusion that, accordingly, WTO Members have an obligation under the TRIPS Agreement to provide protection to trade names in accordance with Article 8 of the Paris Convention (1967), notwithstanding the fact that these are not a specific category of intellectual property expressly identified or addressed in Parts II, III or IV of the TRIPS Agreement. The Panel was of the view that this reasoning suggests that the incorporation of the obligations of WTO Members in respect of unfair competition pursuant to Article 10bis should likewise not be assumed to be "conditioned" in such a manner that it would be limited in scope to those types of subject-matter expressly identified in Parts II, III or IV of the TRIPS Agreement.\(^1\)

The Panel concluded that:

"[W]e find that, pursuant to the second sub-clause of Article 2.1 of the TRIPS Agreement, Members are required to comply with Article 10bis of the Paris Convention (1967), and that the term 'in respect of' in the first sub-clause of Article 2.1 does not have the effect of conditioning the scope of the incorporation of the obligation under Article 10bis to cover only those acts of unfair competition that relate to the types of subject-matter addressed in Parts II, III or IV of the TRIPS Agreement."\(^2\)

2. In \textit{US – Section 211 Appropriations Act}, the Appellate Body disagreed with the Panel's interpretation that Article 2.1 obliged Members to comply with Articles 1 through 12 and 19 of the Paris Convention (1967) only "in respect" of what is covered by Parts II, III and IV of the TRIPS Agreement. Instead, it found that Members do have an obligation to provide protection to trade names in accordance with Article 8 of the Paris Convention (1967) as incorporated by Article 2.1 of the TRIPS Agreement:

"Article 2.1 explicitly incorporates Article 8 of the Paris Convention (1967) into the \textit{TRIPS Agreement}."

The Panel was of the view that the words 'in respect of' in Article 2.1 have the effect of 'conditioning' Members' obligations under the Articles of the Paris Convention (1967) incorporated into the \textit{TRIPS Agreement}, with the result that trade names are not covered. We disagree.

...\(^3\)

"[W]e reverse the Panel's finding in paragraph 8.41 of the Panel Report that trade names are not covered under the \textit{TRIPS Agreement} and find that WTO Members do have an obligation under the \textit{TRIPS Agreement} to provide protection to trade names."

\subsection*{1.3 Article 2(1) of the Paris Convention (1967) as incorporated in the TRIPS Agreement}

3. In \textit{US – Section 211 Appropriations Act}, the Appellate Body examined the national treatment obligation in Article 2(1) of the Paris Convention (1967) as incorporated in the TRIPS Agreement, together with the national treatment obligation in Article 3.1 of the TRIPS Agreement: see material under Article 3.\(^1\)

4. In \textit{EC – Trademarks and Geographical Indications}, the Panel observed that a finding of no less favourable treatment under Article 3.1 of the TRIPS Agreement did not imply a violation of Article 2(1) of the Paris Convention (1967) as incorporated in the TRIPS Agreement because the text of the latter provision does not include those words:

"With respect to the claim under paragraph 1 of Article 2 of the Paris Convention (1967), as incorporated by Article 2.1 of the TRIPS Agreement, the Panel observes that, unlike Article 3.1 of the TRIPS Agreement, Article 2(1) of the Paris Convention (1967) refers to 'the advantages that ... laws now grant, or may hereafter grant' and

\begin{itemize}
  \item \textit{Panel Reports, Australia – Tobacco Plain Packaging}, paras. 7.2627-7.2628.
  \item \textit{Panel Reports, Australia – Tobacco Plain Packaging}, para. 7.2631.
\end{itemize}
not to 'no less favourable' treatment. Therefore, the Panel has not actually reached a conclusion on this claim."\(^4\)

5. Later, the Panel found that the United States had not made a *prima facie* case in support of its claim under Article 2(1) of the Paris Convention (1967) as incorporated by the TRIPS Agreement because it had not argued this claim separately:

"The United States has not separately argued its claim under Article 2(1) of the Paris Convention (1967), as incorporated by Article 2.1 of the TRIPS Agreement with respect to the inspection structures requirements.\(^5\) Accordingly, the Panel concludes that, in this respect, it has not made a prima facie case in support of its claim under that provision."\(^6\)

1.4 Article 2(2) of the Paris Convention (1967) as incorporated in the TRIPS Agreement

6. In *EC – Trademarks and Geographical Indications*, in considering a claim under paragraph 2 of Article 2 of the Paris Convention (1967), as incorporated by Article 2.1 of the TRIPS Agreement, that an EC Regulation contained a requirement of domicile or establishment, the Panel recalled its findings on the meaning of those terms as understood under Article 3 of the Paris Convention (1967). The Panel then rejected the claim because, although persons who used a protected GI would have a domicile or establishment in the European Communities, this was not a requirement for protection:

"We have found that the design and structure of the Regulation will operate to ensure that persons who use a protected GI, located in the European Communities, will have a domicile or establishment within the territory of the European Communities. We have also found that the availability of protection for GIs located in third countries, including WTO Members, is dependent on whether the third country in which the GI is located satisfies the conditions of equivalence or reciprocity or enters into an international agreement with the European Communities. It is irrelevant to the protection of a GI located in a third country whether or not the person who seeks protection has a domicile or establishment in the European Communities."\(^7\)

1.5 Article 3 of the Paris Convention (1967) as incorporated in the TRIPS Agreement

7. In *EC – Trademarks and Geographical Indications*, the Panel interpreted the provision on assimilation of certain persons to nationals in Article 3 of the Paris Convention (1967) as incorporated in the TRIPS Agreement and found that it does not apply to persons who are nationals of WTO Members:

"The rule in Article 3 of the Paris Convention (1967) only applies to nationals of countries *outside the Paris Union*. According to Article 1.3 of the TRIPS Agreement, these criteria shall be understood as if 'all Members of the WTO' were members of that Convention. Therefore, for the purposes of the TRIPS Agreement, that rule of assimilation only applies to persons that are nationals of a country *that is not a WTO Member*. It does not apply to nationals of other WTO Members, such as the United States. Therefore, it does not mean that all persons who have a domicile or a real and effective industrial and commercial establishment in a WTO Member are necessarily nationals of that WTO Member for the purposes of the TRIPS Agreement."\(^8\)

1.6 Article 6 of the Paris Convention (1967) as incorporated in the TRIPS Agreement

8. In *US – Section 211 Appropriations Act*, in the course of considering claims under Article 6quinquies A(1) of the Paris Convention (1967) as incorporated in the TRIPS Agreement,

\(^4\) Panel Reports, *EC – Trademarks and Geographical Indications (US)*, paras. 7.216 and (Australia), paras. 7.252.

\(^5\) See United States' rebuttal submission, paras. 49 and 60, which refer to no less favourable treatment.

\(^6\) Panel Reports, *EC – Trademarks and Geographical Indications (US)*, paras. 7.432.

\(^7\) Panel Report, *EC – Trademarks and Geographical Indications (US)*, paras. 7.216 and (Australia), para. 7.253.

\(^8\) Panel Report, *EC – Trademarks and Geographical Indications (US)*, para. 7.144.
and under Article 15.2 of the TRIPS Agreement, the Appellate Body explained that the general rule in Article 6(1) of the Paris Convention as incorporated in the TRIPS Agreement reserves considerable discretion to WTO Members but that that discretion must be exercised consistently with internationally agreed grounds for refusing – and not refusing – trademark registration:

"In this respect, we recall, once again, that Article 6(1) of the Paris Convention (1967) reserves to each country of the Paris Union the right to determine conditions for the filing and registration of trademarks by its domestic legislation. The authority to determine such conditions by domestic legislation must, however, be exercised consistently with the obligations that countries of the Paris Union have under the Paris Convention (1967). These obligations include internationally agreed grounds for refusing registration, as stipulated in the Paris Convention (1967)."

The right of each country of the Paris Union to determine conditions for filing and registration of trademarks by its domestic legislation is also constrained by internationally agreed grounds for not denying trademark registration. This means, by implication, that the right reserved to each country of the Paris Union to determine, under Article 6(1), conditions for the filing and registration of trademarks includes the right to determine by domestic legislation conditions to refuse acceptance of filing and registration on grounds other than those explicitly prohibited by the Paris Convention (1967).”

1.7 Article 6bis of the Paris Convention (1967) as incorporated in the TRIPS Agreement

9. In US – Section 211 Appropriations Act, the Panel found that the obligation in paragraph 1 of Article 6bis to prohibit the use of a well-known trademark in certain situations did not apply to assertions of rights by an entity which had confiscated the well-known trademark, or its successor-in-interest, who was not considered the proper owner under national law:

"We agree with the parties that a WTO Member is not required to give the benefit of Article 6bis to the confiscating entity or its successor-in-interest; the competent authority of a WTO Member may consider the well-known trademark as being the mark of the person who owned the trademark prior to the confiscation.”

10. In Australia – Tobacco Plain Packaging, the Panel considered an argument that well-known trademark protection required use of a trademark:

"With respect to the complainants’ assumed linkage between trademark use on the packaging of a product and maintaining or acquiring the status as a well-known trademark, we note that Article 6bis of the Paris Convention (1967), first paragraph, does not expressly refer to use as part of the definition of a well-known trademark, but requires that the mark be 'considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention'.

The wording of this provision indicates that it is the degree of knowledge – in a particular Member – of the mark as already belonging to a person or enterprise in a WTO Member, that determines its well-known status in that Member. Article 6bis does not indicate how this degree of knowledge is to be obtained. We note that Article 16.2 of the TRIPS Agreement, second sentence, provides further guidance in that regard, indicating that knowledge in the relevant sector of the public, including

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10 Panel Report, US – Section 211 Appropriations Act, para. 8.120.
11 (Footnote original) While Article 6bis provides that the mark must be well-known "as being already the mark of a person entitled to the benefits of this Convention", we note that in the view of Bodenhausen, "it will be sufficient if the mark concerned is well known in commerce in the country concerned as a mark belonging to a certain enterprise, without its being necessary that it also be known that such enterprise is entitled to the benefits of the Convention." See Bodenhausen, Full Text, (Exhibit DOM-79), p. 92 (emphasis original). We consider that, since the complainants’ arguments under this claim do not relate to this nuance, it is not necessary for us to make a finding on whether the required knowledge would need to include knowledge of whether the person or enterprise is entitled to the "benefits of the Convention".
knowledge obtained as a result of promotion of the trademark, shall be taken into account." 12

1.8 Article 6quinquies of the Paris Convention (1967) as incorporated in the TRIPS Agreement

11. In US – Section 211 Appropriations Act, the Appellate Body noted that:

"The Paris Convention (1967) provides two ways in which a national of a country of the Paris Union may obtain registration of a trademark in a country of that Union other than the country of the applicant's origin: one way is by registration under Article 6 of the Paris Convention (1967); the other is by registration under Article 6quinquies of that same Convention. ... Article 6(1) states the general rule, namely, that each country of the Paris Union has the right to determine the conditions for filing and registration of trademarks in its domestic legislation. ... Article 6 is not the only way to register a trademark in another country. If an applicant has duly registered a trademark in its country of origin, Article 6quinquies A(1) provides an alternative way of obtaining protection of that trademark in other countries of the Paris Union." 13

12. In the same report, the Appellate Body considered an argument that Article 6quinquies A(1) applied to more than merely the form of a trademark, and found that:

"We also agree that the obligation of countries of the Paris Union under Article 6quinquies A(1) to accept for filing and protect a trademark duly registered in the country of origin 'as is' does not encompass matters related to ownership." 14

13. In Australia – Tobacco Plain Packaging, the Panel considered an argument that the obligation to afford "protection", in the sense of Article 6quinquies A(1), necessarily involves ensuring that trademark owners can use their trademarks, and found that:

"The obligation that a Member has pursuant to Article 6quinquies A(1) is to 'accept[] for filing and protect[] as is' every trademark duly registered in the country of origin. On the plain reading of the text, the obligation is to provide a way of obtaining trademark registration and the protection resulting from the registration. In our view, the text suggests that the term 'protected' refers to the protection that flows from the registration of a sign as a trademark in that jurisdiction where the registration is obtained pursuant to the requirements of Article 6quinquies A(1). We note that the term 'protected' in Article 6quinquies A(1) in itself does not provide any guidance as to what the protection flowing from the registration under the domestic law should consist of. In particular, we do not find any support in the language of Article 6quinquies A(1) for a substantive minimum standard of rights that WTO Members would be obliged to make available to the owner of a trademark that has been registered pursuant to the requirements of Article 6quinquies A(1)." 15

14. In Australia – Tobacco Plain Packaging, the Panel rejected an argument that the term "trademark" in Article 15.1 must include signs that are not inherently distinctive and have not yet acquired distinctiveness through use because Article 6quinquies B(2) permits another Member to refuse its registration if it is devoid of any distinctive character, or descriptive, or a generic name:

"It is clear, however, from the nature of the obligation, the structure of this provision, and its text, as described above, that the term 'trademark' in Article 6quinquies B refers to a trademark 'duly registered in the country of origin' – i.e. in a Member different from the one where protection is claimed. In contrast, the circumstances in which denial of registration or invalidation are permitted would have to be present in the Member where protection is claimed, and which is the addressee of the obligation

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12 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2105 – 7.2106. See also the summary of the Panel's findings under Article 16.3 of the TRIPS Agreement.
15 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.1765.
in Article 6quinquies. In other words, in a situation where a trademark is duly registered in one Member, Article 6quinquies B(2) permits another Member to refuse its registration if it is devoid of any distinctive character, or descriptive, or a generic name, in its territory.

We therefore disagree with the Dominican Republic's argument that this provision supports a view that the term 'trademark' in Article 15.1, first sentence, must include signs that are not inherently distinctive and have not yet acquired distinctiveness through use. On the contrary, we find that, in safeguarding the right of Members to refuse registration and protection on the grounds of lack of distinctiveness, even where another Member has registered a trademark in its jurisdiction, Article 6quinquies B(2) of the Paris Convention (1967) is fully consistent with a reading of Article 15.1 of the TRIPS Agreement, first sentence, that does not require signs that are not distinctive to be considered capable of constituting a trademark. The fact that the term 'trademark' is used in this context is appropriate, in our understanding, since the term 'trademark' in the context of Article 6quinquies B refers to a trademark already registered and recognized as such in its country of origin. Under Article 6quinquies B, registered trademark status in the country of origin does not systematically translate into registrability in another jurisdiction.16

1.9 Article 8 of the Paris Convention (1967) as incorporated in the TRIPS Agreement

15. In US – Section 211 Appropriations Act, the Appellate Body disagreed with the Panel's interpretation that Article 2.1 obliged Members to comply with Articles 1 through 12 and 19 of the Paris Convention (1967) only "in respect" of what is covered by Parts II, III and IV of the TRIPS Agreement. Instead, it found that Members do have an obligation to provide protection to trade names in accordance with Article 8 of the Paris Convention (1967) as incorporated by Article 2.1 of the TRIPS Agreement:

"Article 8 of the Paris Convention (1967) covers only the protection of trade names; Article 8 has no other subject. If the intention of the negotiators had been to exclude trade names from protection, there would have been no purpose whatsoever in including Article 8 in the list of Paris Convention (1967) provisions that were specifically incorporated into the TRIPS Agreement. To adopt the Panel's approach would be to deprive Article 8 of the Paris Convention (1967), as incorporated into the TRIPS Agreement by virtue of Article 2.1 of that Agreement, of any and all meaning and effect. ...

... [W]e reverse the Panel's finding in paragraph 8.41 of the Panel Report that trade names are not covered under the TRIPS Agreement and find that WTO Members do have an obligation under the TRIPS Agreement to provide protection to trade names."17


18. In US – Section 211 Appropriations Act, the Appellate Body found that Article 8 of the Paris Convention (1967) as incorporated in the TRIPS Agreement does not determine who does or does not own a trade name:

"We recall further our conclusion in ... the section addressing Article 16.1 of the TRIPS Agreement that neither the Paris Convention (1967) nor the TRIPS Agreement determines who owns or who does not own a trademark. We believe that the Paris Convention (1967) and the TRIPS Agreement also do not determine who owns or does not own a trade name. Given our view that Sections 211(a)(2) and (b) relate to ownership, we conclude that these Sections are not inconsistent with Article 2.1 of the TRIPS Agreement in conjunction with Article 8 of the Paris Convention (1967)."18
1.10 Article 10(2) of the Paris Convention (1967) as incorporated in the TRIPS Agreement

17. In EC – Trademarks and Geographical Indications (US), the Panel found that the provision regarding persons who may be deemed an “interested party” under Article 10(2) of the Paris Convention (1967) did not set out a criterion for eligibility for protection for the purposes of the TRIPS Agreement although it may provide guidance on the interpretation of Articles 22 and 23 of the TRIPS Agreement:

“The Panel accepts that an ‘interested party’ is a person who is entitled to receive protection under Articles 22 and 23 of the TRIPS Agreement. However, in the Panel’s view, Article 10(2) of the Paris Convention (1967) does not set out a criterion for eligibility for protection. Article 10(2) is a deeming provision for the term ‘interested party’ used in Article 9(3) of the Paris Convention (1967), as made applicable under Article 10(1). Once a person has qualified as a national, Article 10(2) may provide guidance on whether that person may be treated as an interested party for the purposes of Articles 22 and 23 of the TRIPS Agreement.”

1.11 Article 10bis of the Paris Convention (1967) as incorporated in the TRIPS Agreement

1.11.1 General

18. The Panel in Australia – Tobacco Plain Packaging summarized its general interpretative analysis of the interrelationship between paragraphs 1, 2 and 3 of Article 10bis as follows:

“[I]n our general interpretative analysis of Article 10bis, we found that the types of acts listed in paragraph 3 are instances of acts of unfair competition, as defined in paragraph 2. Pursuant to paragraph 3, WTO Members are required to prohibit the three specific types of acts identified in that paragraph. Pursuant to paragraph 1, they are also to provide effective protection against all other acts falling more generally within the scope of the definition of an act of unfair competition in paragraph 2.”

19. The Panel in Australia – Tobacco Plain Packaging, in considering how to determine what amounts to an act that is contrary to honest practices in commercial matters, observed that:

“Protection against unfair competition serves to protect competitors as well as consumers, together with the public interest. We agree with the analysis in the WIPO commentary, to which the Dominican Republic refers, that when determining ‘honesty’ in business dealings, all these factors have to be taken into account. This approach is consistent with Article 7 of the TRIPS Agreement, entitled ‘Objectives’, which reflects the intention of establishing and maintaining a balance between the societal objectives mentioned therein. Consequently, a determination of what amounts to an act that is contrary to honest practices in commercial matters may, depending on the circumstances, reflect a balancing of these interests.”

1.11.2 Paragraph 1

20. The Panel in Australia – Tobacco Plain Packaging noted that paragraph 1 requires Members to assure nationals of Members effective protection against unfair competition. While paragraph 1 requires that such protection is “effective”, it does not determine the means by which Members are to assure such protection or elaborate on the meaning of unfair competition. An act of unfair competition is defined in paragraph 2 as being “[a]ny act of competition contrary to honest practices in industrial or commercial matters”. The Panel explained that:

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20 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2691.

21 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2680.

22 Panel Reports, Australia – Tobacco Plain Packaging, paras. 7.2663-7.2664 and 7.2787.
"[P]aragraph 1, read together with paragraphs 2 and 3, requires that a Member, in the process of assuring effective protection against acts of unfair competition, within the meaning of paragraph 2, has to prohibit the types of practices in industrial and commercial matters that fall under paragraph 3. Pursuant to paragraph 1, protection against such acts must be 'effective'. Paragraph 1, however, is silent as to the standard to be applied to determine which industrial and commercial practices – beyond those covered by paragraph 3 – should be considered dishonest in a particular Member, against which that Member consequently must assure effective protection."\(^{23}\)

21. The Panel further explained that:

"WTO Members are required not only to prohibit the three specific types of acts identified in paragraph 3 of Article 10bis, but also to provide effective protection against all acts falling more generally within the scope of its paragraph 2. While a Member is required to prohibit the types of dishonest practices in industrial and commercial matters enumerated in its paragraph 3, the scope of other practices in industrial and commercial matters against which it is bound to assure effective protection needs to be considered in the context of the legal systems and conceptions of what constitutes an act contrary to what would usually or customarily be regarded as truthful, fair and free from deceit within the domestic market at issue."\(^{24}\)

22. The Panel in Australia – Tobacco Plain Packaging considered an argument that Article 10bis could cover more than "acts of unfair competition" as defined in its paragraph 2 because Article 10bis(1) requires effective protection against "unfair competition", and found that:

"Article 10bis(2) defines the term 'act of unfair competition', whereas Article 10bis(1) requires effective protection against 'unfair competition'. We do not, however, read the omission of the word 'act' from paragraph 1 as extending the scope of Article 10bis beyond acts of unfair competition as defined in paragraph 2. As described above, the term 'competition' refers, in the relevant economic sense, to '[r]ivalry in the market, striving for custom between those who have the same commodities to dispose of.' This definition entails that competition is a process between market actors. By referring to competition, Article 10bis(1) thus requires effective protection against unfair competition between market actors. This is underscored by the three subparagraphs of Article 10bis(3) which are each based on the assumption that unfair competition involves an action of market actors. Subparagraphs 1 and 2 of Article 10bis(3) both refer to something being done to a 'competitor', which implies that a competing market operator is involved in what amounts to unfair competition. Likewise, subparagraph 3 of Article 10bis(3) regulates the use of certain types of 'indications or allegations ... in the course of trade', implying that unfair competition relates to actions undertaken by actors operating on the market. We also do not have any indication from the preparatory work of Article 10bis and its subsequent amendments that would suggest any intention by negotiators to address unfair competition in relation to anything other than business competition involving market actors."\(^{25}\)

23. The Panel in Australia – Tobacco Plain Packaging considered an argument that the tobacco plain packaging measures themselves constitute an act of unfair competition on the grounds that they create unfair conditions for competition, and found that:

"We recall that an act of unfair competition is defined in paragraph 2 of Article 10bis as '[a]ny act of competition contrary to honest practices in industrial or commercial matters'. We also recall our understanding in paragraph 7.2665 that the terms 'competition', and 'act of competition', which are part of the definition, suggest, in the context of 'industrial or commercial matters', that the term 'act of competition' refers to something that is done by a market actor to compete against other actors in the market. In our view, therefore, laws and other instruments that a Member adopts to

\(^{23}\) Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2669.

\(^{24}\) Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2679.

\(^{25}\) Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2684.
regulate the market, or the overall regulatory environment within which the market operates do not per se amount to 'acts of unfair competition'.

1.11.3 Paragraph 2

24. The Panel in Australia – Tobacco Plain Packaging noted that "an act of unfair competition" is defined in paragraph 2.27 Having considered the ordinary meaning of the terms used therein, the Panel concluded that:

"We understand the definition of 'an act of unfair competition' in paragraph 2 as referring to something that is done by a market actor to compete against other actors in the market in a manner that is contrary to what would usually or customarily be regarded as truthful, fair and free from deceit within a certain market."28

25. The same Panel added that the reference in that definition to "honest practices" does not suggest that a single clear-cut, universally accepted standard of behaviour applies in determining whether a commercial practice is "honest". Rather, it suggests that this assessment should be made in light of what constitutes "honest practices" in the relevant market.29 The Panel stated that:

"[T]he notion of 'honest practices' as used in the definition of an act of unfair competition in Article 10bis(2) should be interpreted with reference to standards of honest conduct habitually applied and maintained in the domestic market at issue. What is to be considered as the market concerned needs to be determined based on the circumstances of a particular case. We note in this respect that the fact that what is considered to constitute an 'honest practice' may vary from Member to Member does not render the obligation discretionary. If certain acts objectively fall within what is considered, within the domestic market at issue, 'contrary to honest practices in industrial or commercial matters', then they will constitute an act of unfair competition subject to the obligation in Article 10bis."30

26. The same Panel further observed that:

"In the circumstances of a particular case, honest practices established in international trade, if discernible, should therefore also inform the meaning of '[a]ny act of competition contrary to honest practices in industrial or commercial matters' under paragraph 2 of Article 10bis."31

1.11.4 The chapeau of paragraph 3

27. The Panel in Australia – Tobacco Plain Packaging considered the relationship between paragraphs 2 and 3 of Article 10bis and the nature of the obligation under paragraph 3:

"The chapeau of paragraph 3 provides that '[t]he following in particular shall be prohibited' (emphasis added). The relevant definition of 'in particular' is '[a]s one distinguished from others of a number'. We understand that paragraph 3 is linked to paragraph 2 of Article 10bis in that the acts from which the acts listed in paragraph 3 are distinguished are other acts of unfair competition, as defined in paragraph 2. Therefore, we understand that the types of acts listed in paragraph 3 are instances of 'act[s] of competition contrary to honest practices in industrial or commercial matters', and that there may be other types of dishonest commercial practices that meet the definition in paragraph 2, which more broadly refers to '[a]ny act of competition contrary to honest practices in industrial or commercial matters' (emphasis added). Furthermore, the chapeau of paragraph 3 is worded as a binding obligation in respect of the types of acts listed under its subparagraphs, providing that

26 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2684.
27 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2664.
28 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2667.
29 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2672.
30 Panel Reports, Australia – Tobacco Plain Packaging, para. 7.2675.
31 Panel Reports, Australia – Tobacco Plain Packaging, fn 5359.
'[t]he following in particular shall be prohibited' (emphasis added). In other words, paragraph 3 requires Members to prohibit the types of dishonest commercial practices mentioned in its subparagraphs.\(^{32}\)

\subsection*{1.11.5 Paragraph 3(1)}

28. The Panel in \textit{Australia – Tobacco Plain Packaging} recalled that Article 10bis(3) identifies certain types of acts of unfair competition, which in particular shall be prohibited, and that its sub-paragraph (1) relates to "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".\(^{33}\) The Panel noted that:

"The focus of paragraph 3(1) is therefore on those acts that are of such a nature as to create confusion about a competitor’s products, establishment, or industrial or commercial activities. A definition of ‘confusion’ is '[t]he confounding or mistaking of one for another; failure to distinguish'. The ordinary meaning of ‘confusion’ thus suggests that paragraph 3(1) refers to situations where an act of unfair competition is of such a nature that it results in confusion in the sense of mistaking between products or failure to distinguish between them. A definition of ‘of nature’ is ‘of the type, form, or character of; similar to, like; equivalent to, classifiable as’. The ordinary meaning of ‘of such a nature’ suggests that an act of unfair competition may fall under paragraph 3(1) if it is ‘of the type’ of acts of unfair competition that result in confusion within the meaning of paragraph 3(1). It follows from the phrase ‘of such nature’ that it is not determinative whether an act of that type was committed in good faith."\(^{34}\)

\subsection*{1.11.6 Paragraph (3)(3)}

29. The Panel in \textit{Australia – Tobacco Plain Packaging} recalled that Article 10bis(3) identifies certain types of acts of unfair competition, which in particular shall be prohibited, and that its sub-paragraph (3) concerns "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".\(^{35}\) The Panel noted that:

"Whereas sub-paragraphs 3(1) and 3(2) of Article 10bis concern confusion with or false allegations about the goods of a competitor, sub-paragraph 3(3) does not expressly refer to the goods of a competitor. This implies that the focus under this sub-paragraph includes indications and allegations that a market participant makes about its own goods. The ordinary meaning of ‘mislead’ is to ‘deceive by giving incorrect information or a false impression’. It follows from the term ‘liable’ that the provision covers deceptive allegations that have either misled the public or are likely to do so. The term ‘public’ in turn implies a situation where such deceptive allegations are directed at the consumer."\(^{36}\)

30. The Panel in \textit{Australia – Tobacco Plain Packaging} considered whether and under what circumstances an omission of information may be covered by sub-paragraph 3, and found that:

"We agree with the parties that an omission of certain information may amount to a deceptive indication or allegation, where such omission, in the course of trade, is liable to mislead the consumer, in the sense of deceiving him or her by giving incorrect information or a false impression. In that respect, we agree with Australia that deception could arise if the public, in the absence of express information, expects a certain characteristic to be present."\(^{37}\)

31. The Panel in \textit{Australia – Tobacco Plain Packaging} considered the meaning of the term "in the course of trade" in sub-paragraph 3, and found that:

\(^{32}\) Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2668.
\(^{33}\) Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2713.
\(^{34}\) Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2714.
\(^{35}\) Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2749.
\(^{36}\) Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2750.
\(^{37}\) Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2752.
"As we noted in our analysis of these terms under Article 20 of the TRIPS Agreement, harmonious interpretation requires that same or similar terms in different provisions of the same agreement should be presumed to have the same or similar meaning, much as the use of different terms creates a presumption that the terms were intended to have a different meaning. For the reasons identified in that context, we do not find support in the text or context of Article 10bis(3)(3) for Australia's assertion that 'in the course of trade' culminates or terminates at the point of sale."\(^{38}\)

1.12 Article 2.2 of the TRIPS Agreement

32. In EC – Bananas (Article 22.6 – EC), the Arbitrators followed Ecuador's request under Article 22.2 of the DSU for suspension of concessions and obligations, including certain obligations under the TRIPS Agreement. In their decision, the Arbitrators addressed, \textit{inter alia}, the relationship between the WTO Agreement and the obligations of WTO Members to each other arising under the four conventions listed in Article 2:

"This provision can be understood to refer to the obligations that the contracting parties of the Paris, Berne and Rome Conventions and the IPIC Treaty, who are also WTO Members, have between themselves under these four treaties. This would mean that, by virtue of the conclusion of the WTO Agreement, e.g. Berne Union members cannot derogate from existing obligations between each other under the Berne Convention. For example, the fact that Article 9.1 of the TRIPS Agreement incorporates into that Agreement Articles 1-21 of the Berne Convention with the exception of Article 6bis does not mean that Berne Union members would henceforth be exonerated from this obligation to guarantee moral rights under the Berne Convention."\(^{39}\)

\footnote{38 Panel Reports, \textit{Australia – Tobacco Plain Packaging}, para. 7.2753. See also the summary of the Panel’s findings under Article 20 of the TRIPS Agreement.}

\footnote{39 Decision by the Arbitrators, \textit{EC – Bananas (Ecuador) (Article 22.6 – EC)}, para. 149.}