

EXCERPT OF THE LAW ON COMPETITION

Chapter V **Unfair competition and misleading advertisement**

Article 22. Prohibition of unfair competition

(1) Unfair competition is prohibited.

(2) Unfair competition is activity, the result of which violates normative acts or the fair practice of business activity and has created, or could create, the prevention, restriction or distortion of competition.

(3) Unfair competition may take the following forms, such as:

- 1) the use imitation of another market participant's (existing, terminated or reorganised) legal name, distinctive marks or other features, if may be misleading as to the identity of the market participant;
- 2) the imitation of the name, appearance, label, or packaging of goods produced or sold by another market participant or the use of its trademark, if it may be misleading as to the origin of the goods;
- 3) the spreading of false, incomplete or distorted information about another market participant or its employees, as well as about the economic significance, quality, type of production, features, quantity, utility of the goods sold or distributed by such market participant(s), or about the prices, their formation and other condition, if such actions may create losses for these market participants;
- 4) the acquisition, use distribution of information including the commercial secrets of another market participant without this party's consent;
- 5) the influencing of employees of another market participant through threats or bribery, so as to create advantages for one's own economic activity, thus creating losses to this market participant.

Article 23. Prohibition of misleading advertisements

(1) Misleading advertisements are prohibited.

(2) An advertisement is considered to be misleading, if it contains a false, relevant statement.

(3) A statement or concealed information is considered to be relevant, if there is a basis to believe that it influences or may influence the consumer's decision.

Article 24. Liability for unfair competition and misleading advertisement

(1) If violations of the requirements described in [Article 22](#) or [23](#) of this law are ascertained, then the Competition Council by its decision may require the relevant market participants to terminate such violations. Simultaneously, the Competition Council may adopt a decision about the assessment of a fine from the relevant market participant of up to five percent (5%) from its previous financial year's turnover for the benefit of the state budget.

(2) Competition Council decisions about the failure to observe the requirements of [Article 22](#) or [23](#) of this law may be appealed to the regional courts pursuant to the procedures set forth in the normative acts.

(3) The Competition Council may adopt a decision to bring the responsible physical persons (officials) to administrative liability, if it ascertains that the requirements of [Articles 22](#) or [23](#) of this law have not been observed.

(4) The responsible physical persons (officials) may be brought to criminal responsibility for repeated failure to observe the requirements of [Article 22](#) of this law.
