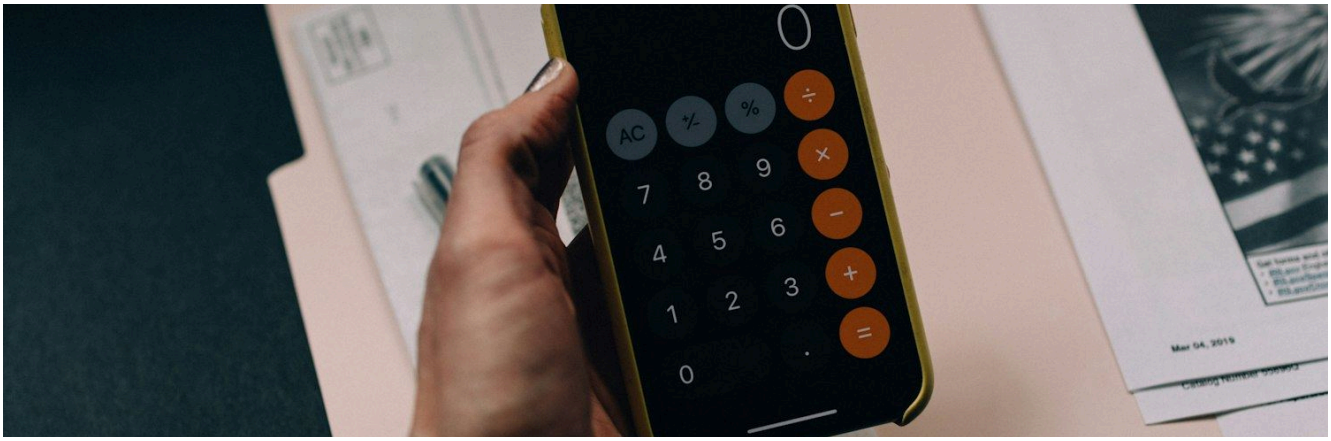
GRAND PARK LAW GROUP
A PROFESSIONAL CORPORATION

WESTSIDE TOWERS
11835 W. Olympic Boulevard #870E
Los Angeles, California 90064

O:+1 888.629.4754
F: +1 310.900.0805

The Unfair Competition Law (Bus. & Prof. Code § 17200)

Grand Park Law Group · 2026



A. The Three Prongs (Unlawful, Unfair, Fraudulent)

The Unfair Competition Law, Business and Professions Code section 17200, defines "unfair competition" broadly as "any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by [section 17500 et seq.]." Each prong is independently actionable.

The "unlawful" prong borrows violations from any other state, federal, or local law and treats them as independently actionable under section 17200. *Cel-Tech Communications, Inc. v. Los Angeles Cellular Telephone Co.* (1999) 20 Cal.4th 163, 180. The "unfair" prong, in competitor cases, requires conduct that "threatens an incipient violation of an antitrust law, or violates the policy or spirit of one of those laws." *Id.* at 187. In consumer cases, courts apply either a balancing test or a tethering-to-public-policy test (the law in this area remains unsettled). The "fraudulent" prong requires a showing that members of the public are likely to be deceived; actual deception, reasonable reliance, and damage are not required. *In re Tobacco II Cases* (2009) 46 Cal.4th 298, 312.

B. Standing After Proposition 64

Before 2004, anyone could sue under the UCL on behalf of the general public. Proposition 64 narrowed standing dramatically. Under section 17204, a private plaintiff must now have "suffered injury in fact and . . . lost money or property as a result of the unfair competition." The Supreme Court interpreted this requirement in *Kwikset Corp. v. Superior Court* (2011) 51 Cal.4th 310,

holding that a plaintiff must allege "(1) economic injury (2) caused by the unfair business practice." *Id.* at 322. The injury requirement is satisfied where the plaintiff was induced to purchase a product they would not otherwise have purchased — for instance, falsely labeled "Made in U.S.A." products in *Kwikset*. *Id.* at 329–30. Class actions under the UCL further require compliance with Code of Civil Procedure section 382 and Civil Code section 1781.

C. The Limitation to Restitution and Injunction (Korea Supply)

Critically, UCL remedies are equitable. *Korea Supply, supra,* 29 Cal.4th at 1144, definitively held that "[a]ny award that plaintiff would recover from defendants would not be restitutionary as it would not replace any money or property that defendants took directly from plaintiff." The Supreme Court rejected disgorgement of nonrestitutionary profits and reaffirmed that UCL plaintiffs are limited to (i) restitution of money or property taken from the plaintiff (or in which the plaintiff has a vested interest), and (ii) injunctive relief. *Id.* at 1148–52. There is no right to a jury trial on UCL claims; no compensatory damages; no punitive damages.

That said, UCL claims remain valuable because the "unlawful" prong can extend the limitations period (four years under § 17208 versus, e.g., three years for fraud) and because the "unfair" and "fraudulent" prongs can reach conduct that does not satisfy the elements of any traditional tort.

D. False Advertising (§ 17500)

Business and Professions Code section 17500 prohibits "untrue or misleading" statements made "with the intent directly or indirectly to dispose of" property or services where the speaker "knows, or which by the exercise of reasonable care should know, to be untrue or misleading." Section 17500 violations are independently actionable and serve as the predicate for the UCL "unlawful" prong. Section 17535 provides standing and remedies parallel to those under the UCL (restitution and injunction). The Consumer Legal Remedies Act, Civil Code section 1750 et seq., provides a damages remedy for similar conduct — but only to "consumers" (not businesses) and only for transactions in goods or services.

Practice	Business Torts
Topics	UCL · False Advertising
Publication	Practice guide · Chapter IV · 2026

Available online at businesstorts.grandparklawgroup.com/articles/the-unfair-competition-law-bus-amp-prof-code-17200. This publication is provided for general information and is not legal advice.
© 2026 Grand Park Law Group, A.P.C. Attorney Advertising.