



Consumer Protection under the Competition Law , 2002 in India- An Outlook

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ABSTRACT : The protection of the interests of consumers is a central aspect of all modern competition laws as well as a direct aim of consumer protection laws. However, despite being complementary in many ways, competition and consumer protection laws cover different issues and employ different methods to achieve their goals. While consumer protection rules are built upon the premise that consumers are the weaker party to transactions and should be directly protected for this reason in their dealings with traders through certain consumer rights, competition law only indirectly protects the consumers' economic well-being by ensuring that the markets are subject to effective competition. This article explores the interplay between consumer protection and competition law in the Indian context with some comparison with the EU position, where relevant. After an examination of the relevant legislation and case law, the article finds that given that the mandate of the Competition Commission of India is to prevent practices having an adverse effect on competition, in cases of overlap between consumer protection and competition laws, the Authority should act only on the basis of adverse effects on *competition*. The treatment of 'unfair trade practices' is used to demonstrate the appropriateness of this approach.

ISSN 2454-308X



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Introduction

In the recent times, there has been major changes and emergence of various competitive practices in economies across the world. Due to the increasing competition, adverse consequences are produced. These repercussions do not remain limited to the market stakeholders but are extended to the consumers as well. The major problem arises when the effects of such competition become non-quantifiable and non-obvious. Until the late 1970s, there was no systematic movement in lieu of taking steps for the protection of interests of the consumers. In the recent consumer friendly environment, it is acknowledged that the true indicator of a country's development and its progressiveness is a level of consumer awareness and protection in the territory. The factors that have led to an increase in need of consumer protection are multifold. These include increasing the complexity of production and distribution system, greater levels of sophistication in selling and marketing, advertising and promotional practices, increased mobility of consumers and lack of or reduction in the interaction between the consumers and sellers.

In order to tackle this problem, enactment of Competition laws is the best suitable recourse. Taking into consideration the consumer needs and imbalances faced by them in economic terms, education levels and bargaining power, there are various guidelines that have been made in furtherance of consumer protection. Such guidelines have been formulated or expanded to include 'sustainable consumption' as an important subject matter. These guidelines have been helpful in setting up international accepted set of objectives particularly for the developing countries in order to help them identify priorities and hence structure their consumer protection policies and legislations.

Enforcement of Consumer protection through Competition laws

It is an acknowledged fact there exist an unequal relationship between the producers and consumers. Competition Law, therefore, restricts the producers from abusing the dominant position of theirs in the market. The Supreme Court of India has observed that the main objective of Competition law is to use