



# Jus Corpus Law Journal

Open Access Law Journal – Copyright © 2023 – ISSN 2582-7820  
Editor-in-Chief – Prof. (Dr.) Rishikesh Dave; Publisher – Ayush Pandey

This is an Open Access article distributed under the terms of the Creative Commons Attribution-Non-Commercial-Share Alike 4.0 International (CC-BY-NC-SA 4.0) License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium provided the original work is properly cited.

---

## What are the Trends in Modern Law in Protecting the Consumer?

Ashif Khan<sup>a</sup>

<sup>a</sup>Uttarakhand Technical University, Uttarakhand, India

Received 26 January 2023; Accepted 15 February 2023; Published 20 February 2023

---

*World Wars was undoubtedly a fight between two opposing economic ideologies, Capitalism, and socialism. Capitalism won this war; what we can feel around us and its main pillars are competition, private property, freedom to choose, the minimum role of Government, self-interest, and the market mechanism. Capitalism may not be the perfect option, but it seems a good option. The present tendencies in recent legislation that are intended to safeguard consumers are examined in this article. It takes into account the numerous legal tools that are employed to safeguard consumers at the national as well as international levels. It examines the many strategies employed to make sure that customers are sufficiently protected and also the methods by which consumer protection laws are understood and upheld in famous cases. It also takes into account how the courts play a part in establishing a legislative structure for consumer protection as well as the effects this has on firms. Lastly, this article talks about the new regulations that are urgently needed through amendments acts.*

**keywords:** *consumer protection, consumerism, market, capitalism, goods, services.*

---

### INTRODUCTION

The final person who consumes or uses the good is a consumer. It is a concept or a significant movement that an individual, an organization, Government, or a legal authority runs.

## **NEED FOR CONSUMERISM**

The emergence of Consumerism protected the consumer from unfair trade practices, high prices, misleading advertisements, fraud, and adulterations. Consumerism protects rights and welfare. It also provides a table to resolve his issues legally, to have a right of satisfaction, to have a right to choose or acquire according to his demand and need. Consumerism is a fight or a protest movement against exploitation started by different public and voluntary organizations. Consumerism is a concept that enhances the intake of goods and services according to the need of consumers, which puts in a market for individual satisfaction, and it also depends on the concept of demand and supply. Consumers are the fundamental subject of an economy, and to maximize enjoyment and usefulness, all consumers use goods and services because they only have a certain amount of money.

## **WHO IS A CONSUMER, AND WHAT IS THE RELATIONSHIP BETWEEN THE CONSUMER AND THE WORLD ECONOMY?**

Anyone who purchases and uses goods or uses the goods with the actual buyer's consent is a consumer. Its relationship with the economy is essential because consumers are an economy's fundamental economic entity. To optimize enjoyment and usefulness, all customers utilize services and merchandise both directly and indirectly. With their constrained capacity, customers aim to maximize their usefulness.

### **Law of Caveat Emptor**

This principle defines 'let the buyer beware'. it is a type of disclaimer that precludes post-purchase disputes, which means a person buys at his own risk. Rule of Caveat Venditor defines "let the seller beware." It is an answerable warning in case of any issue buyer might experience with a service or product from the seller. Caveat Venditor has become increasingly popular than the antiquated principle of Caveat Emptor.<sup>1</sup>

---

<sup>1</sup> Julia Kagan, 'Caveat Emptor (Buyer Beware): What It Is, and What Replaced It' (*Investopedia*, 18 November 2003) <[www.investopedia.com/terms/c/caveatemptor.asp](http://www.investopedia.com/terms/c/caveatemptor.asp)> accessed 17 January 2023

With manufacturing activity becoming more organized, the producers/sellers are becoming stronger and more organized. In contrast, the buyers are still weak and unorganized; With numerous laws and regulations and case laws limiting the benchmark of caveat emptor to reasonable examination,<sup>1</sup> this benchmark has received a substantial distinguishing proof, and the seller's responsibilities have been offered lawful form.

### **UN General Assembly guidelines on consumer protection**

The UN general assembly's Guidelines for Consumer Protection were approved in 1985. This served as an instrument for states to embrace consumer-protection policies and buyer nongovernmental organizations to pressure one's policymakers to implement them. United Nations has protected the consumer movement and become an umbrella body for its members.<sup>2</sup>

### **'OECD Organisation for Economic Cooperation and Development**

This Council approved some rules regarding Electronic Commerce on December 9, 1999, designed to secure that consumers are no less safeguarded when shopping online. These rules encourage fair business by providing the correct information about business identity, clear terms and conditions, secure payment methods, privacy protection, and affordable customer care services.<sup>3</sup>

### **WHAT ARE THE LAWS THAT PROTECT CONSUMERS IN INDIA?**

**Consumer Protection Act of 2019:** India enacted the Consumer Protection Act of 1986 on December 24, 1986, and We observe National Consumer Day to emphasize the significance of the economic system and educate people on each consumer's obligations and entitlements. The statute aims to provide customers with adequate protection against various types of abuse, such as defective products, poor customer service, and dishonest business practices. Ministry of Consumer Affairs, Food & Public Distribution of the Government of India, which ensures free

---

<sup>2</sup> 'Consumer Rights' (NCERT) <<https://ncert.nic.in/ncerts/l/jess205.pdf>> accessed 17 January 2023

<sup>3</sup> 'OECD Guidelines for Consumer Protection in the Context of Electronic Commerce (1999) - OECD' (OECD) <[www.oecd.org/sti/consumer/oecdguidelinesforconsumerprotectioninthecontextofelectroniccommerce1999.htm](http://www.oecd.org/sti/consumer/oecdguidelinesforconsumerprotectioninthecontextofelectroniccommerce1999.htm)> accessed 17 January 2023

consumer movement in India. The following Acts are only a few of the numerous other laws that must safeguard consumer interests.

**Essential Commodities Act of 1955:** Give the Government more authority so that it can maintain a just price, availability, manufacturing, and circulation since an unjust allocation of circulation has an impact on the cost of commodities. The State Government has received some authority from the Union Government.

**Drug and Cosmetic Act of 1940:** Empower the Government to regulate the distribution of drugs in India. It ensures the safety of the circulation of drugs and cosmetics and the suspension of faulty or fake manufacturing and alternative drugs.

**Food Safety and Standard Act of 2006:** To ensure that consumers eat food healthily, this Act controls production, preservation, marketing, and food distribution according to scientific guidelines.

**Bureau of Indian Standards Act of 2016:** The Act controls the expansion of quality assurance, marking, and grade certification. BIS promotes both exports and imports, minimizes consumer health risks, ensures comfortable, dependable standards of commodities, and controls the diversification of kinds through normalization, licensing, and inspection.

**Indian Contract Act of 1872:** This Act regulates the contract held between two parties. When a consumer enters into a contract, it safeguards them against fraud, coercion, false representation, and breach of trust. This law offers consumer protection in the event of a contract breach.

**Sales of Goods Act of 1930:** This law governs the trade of moveable property, outlines the obligations and rights of the buyer and seller, stipulates the implied terms and representations made in a sale contract, and offers the consumer protection in the event of a breach.

- **Emblems and Names (Prevention of Improper Use) Act of 1952;**
- **Standards of Weights and Measures - The Legal Metrology Act of 2009;**
- **Consumer Cooperatives;**
- **Legal metrology education ;**

- **Monitoring of Prices and Availability of Essential Commodities.**<sup>4</sup>

## LEGAL SERVICES AUTHORITIES ACT OF 1987 & PILS

Lok Adalats, which are less time-consuming and less expensive, are held by the National Legal Services Authority and other legal service agencies. A different method of resolving disputes is Lok Adalat. This body resolves ongoing conflicts or issues in court or at the preliminary stage of the litigation and is resolved/compromised amicably. Mobile Lok Adalat is also utilized to arbitrate disputes between distant locations.<sup>5</sup> Following Article 39A of the Indian Constitution, the Government of India provide competent legal representation to underprivileged groups of the population free of charge. Additionally, it benefits consumers in socially disadvantaged areas. A type of lawsuit filed in a court of law to protect the "Public Interest" is known as Public Interest Litigation. Public interest litigation can be utilized to settle issues that have an impact on the general public. The Indian Judiciary has intrinsic power under Articles 32 and 226 that consumers are protected against well-organized and established multinational companies.

## SOME FAMOUS PRECEDENTS

**McDonald's Cofee case:** In this case, Sheila Kiebeck, a Consumer, was seriously injured after spilling a cup of McDonald's coffee in her lap. Liebeck's attorneys successfully argued the judgment in her favor, and McDonald's compensated US\$ 4.66 million for punitive damages and medical expenses.

**Owen's Corning: Asbestos Materials:** In this case, Owen's Corning, a building company, agreed to pay US\$ 1.2 billion for Asbestos Materials, which caused many local diseases and deaths, including lung cancer.

---

<sup>4</sup> 'Weights And Measures' (Department of Consumer Affairs) <<https://consumeraffairs.nic.in/en/organisation-and-units/division/legal-metrology/weights-and-measures>> accessed 17 January 2023

<sup>5</sup> *Ibid*

**Toyota cars:** A well-known automaker, Toyota, promised to recall millions of its vehicles in this case and pay US\$ 1.1 billion to settle a lawsuit over a string of accidents and fatalities that were allegedly brought on by an accelerator pedal that was "sticky."

**Dipika Pallikal and Axis Bank case:** In this case, Dipika Pallikal, a famous squash champion, used her Axis Bank Debit Card in the Netherlands and failed; the bank contended that it was a '*Force Majeure*' (*an act of god*). However, the court held in favor of Dipika, and Axis Bank compensated ₹ 5.1 lakhs.

**False Claims made by Beauty Care Products:** A Consumer, K Chaathu, complained against Indulekha, a beauty care product, for advertising misleading advertisements. In a Court settlement, Indulekha compensated the consumer ₹30000 for making false claims.

## NEW CONSUMER PROTECTION LAW OF 2019

This Act, which the Parliament passed in 2019 and replaced the previous "Consumer Protection Act of 1986," went into effect in July 2020. 'CONSUMER' is now a term that broadly protects different persons procuring goods and services for use. The new Act protects the rights of a consumer and protects them against the malpractices of sellers. The significant new changes of the Act are the following:

**Central Consumer Protection Authority:** The Central Consumer Protection Authority (CCPA) was created under the Act as a central regulating body. The CCPA will handle complaints involving unfair business practices, deceptive advertising, and violations of consumers' rights, as well as safeguard, promote, and carry out such rights. The examination wing of CCPA will investigate consumer rights violations. The CCPA will also file class law action suits, take *Suo moto* measures, recall products, cancel licenses, impose penalties, and order restitution of the price of goods/services.

**Consumer Disputes Redressal Commission:** To hear consumer complaints, this Act created Consumer Disputes Redressal Commissions (CDRCs), which were established at the national, state, and district levels. Concerns about selling defective products or services, unjust or limiting

business practices for the sale of unsafe goods or services, and overcharging or deceptive charging will all be considered by the CDRC.

**Provision for alternate Dispute Resolution:** With the passage of this legislation, mediation will now be an option for ADR; however, it will come with a rigid time frame. Consumer commission will refer a complaint for mediation if both parties agree and there is space for mediation. There will be no appeal against the final settlement.

**E-complaint:** The new Act enables consumers to submit grievances online and use virtual meetings to attend and question parties. Additionally, it increases the flexibility of registering complaints in the consumer's home country or residence.

**Less Expensive:** The consumer will not require a lawyer to represent his/her case in consumer court. There will be no fee for a complaint if the product is worth five lakhs.

**Producer or service provider is liable for any defective products:** In case of any damage or injury caused by defective products or faulty service, the manufacturer or product service provider or seller(Both online or offline) will be held responsible and have to pay compensation.

**Unfair Trade Practices:** The adds special provision for 'unfair trade practices.' Unfair trade practices now have an expansive definition that includes the personal data sharing of consumers to other companies without approval unless provided by law.

**Misleading Advertisements:** Now, the CCPA has the right to impose a penalty or imprisonment on service providers or sellers, or manufacturers against a false or misleading advertisement.

**Spurious and Adulterated Goods:** The adulteration or spurious of goods by the manufacturer will be a punishable act; it includes the purpose of sale, storing, selling, distributing, or importing. Consumer commissions may punish the manufacturer for paying compensation or imprisonment when found guilty.

**E-commerce companies' Fall-back liability:** This Act offers union, statewide, and divisional three-tier consumer complaint redress. Under E-Commerce Rules, there are three types of E-Commerce entities. These have obligations such as hiring a nodal officer and registering as a firm, establishing an internal grievance redressal mechanism, give the importer's and seller's details. Integrate with National Consumer Helpline, refund amounts payable to consumers, never discriminate among customers, provide details about terms and conditions, maintain a record of sellers, and ensure that advertisements for goods and services are genuinely consistent with actual characteristics.

The seller's obligations on marketplace E-Commerce platforms include adhering to return and refund rules, refraining from unfair business practices, and refraining from leaving comments on the website under a false name. Appoint a grievance redressal officer and provide the required information per the law.<sup>6</sup>

## COMPARISON BETWEEN INDIAN AND INTERNATIONAL LAW

The Government of every country shows concern for consumer protection. The developed countries strictly control the market with severe punishment for defaulters in case of fault and have made the market very consumer friendly. In the case of under-developing countries, the economy and law are still developing and ensuring consumer protections; however, Government is to confirm that the marketplace functions sufficiently and in a transparent manner and welfare of the masses is achieved.

## ROLE OF NGOS

NGOs are crucial to Consumerism and have advanced the consumer revolution via concerted efforts. NGOs are also crucial in raising awareness of consumer constitutional protections and

---

<sup>6</sup> Ishan Khanna, 'Specific Liability Of E-Commerce Entities Under The Consumer Protection Act, 2019 - Dodd-Frank, Consumer Protection Act - India' (*Mondaq*, 18 August 2020) <[www.mondaq.com/india/dodd-frank-consumer-protection-act/976972/specific-liability-of-e-commerce-entities-under-the-consumer-protection-act-2019](http://www.mondaq.com/india/dodd-frank-consumer-protection-act/976972/specific-liability-of-e-commerce-entities-under-the-consumer-protection-act-2019)> accessed 17 January 2023



encouraging consumers to take legal action in response to grievances. The producers also lead to an ear to the consumers' objection when stated through the organization of consumers.

## CONCLUSION

- Even though they are impacted by the dealers, the customers have been safeguarded by numerous laws. Consumers are more knowledgeable about their obligations and rights presently.
- The introduction of provisions about e-commerce welcomes changes in today's modern sense; it is a new age of markets that have created new disputes where specific guidelines ensure expeditious disposal of customers' grievances.
- The Earth provides enough to meet everyone's needs, but not greed, as M.K. Gandhi once said. Consumerism results in large-scale manufacturing, industrial equipment use, large-scale feedstock purchases, extreme resource utilization, collective action or manufacturing, distribution, and warehousing, all of which contribute to ecological deterioration.
- Some economists believe that increasing the number of shoppers would be a difficult objective to achieve in creating and maintaining a stable economy, regardless of the value to the customer or society at large. Others, however, have grown quite concerned about the adverse societal effects of hyper-consumerism.<sup>7</sup>

---

<sup>7</sup> Julia Kagan (n 1)