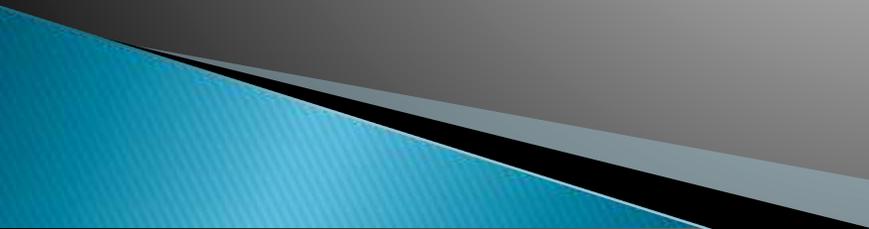


**CLASS- B.A.LL.B. IX SEMESTER**  
**SUBJECT- CONSUMER PROTECTION**  
**LAWS AND COMPETITION LAWS**  
**PAPER CODE- (BL-904)**



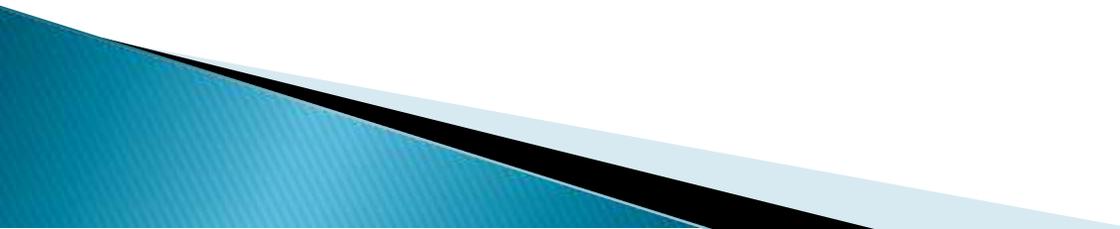


# CONSUMER PROTECTION ACT, 2019

# INTRODUCTION

- ▶ Consumer Protection Act, 2019 came into existence after repealing the Consumer Protection Act, 1986.
- ▶ this Act received the assent of the President on 9 August , 2019.
- ▶ This Act enforce on 20 August , 2020.
- ▶ Section 2 [Except clauses (4), (13), (14), (16), (40)]; Sections 3 to 9 (both inclusive); Sections 28 to 73 (both inclusive); [Except sub-clause (iv) of clause (a) of sub-section (1) of section 58]; Sections 74 to 81 (both inclusive); Sections 82 to 87 (both inclusive); Sections 90 and 91 [Except sections 88,89,92 & 93]; Sections 95, 98, 100, Section 101 [except clauses (f) to (m) and clauses (zg), (zh) and (zi) of sub –section 2 ]; Sections 102, 103, 105, 106, 107 [except sections 94, 96,97,99, 104]".

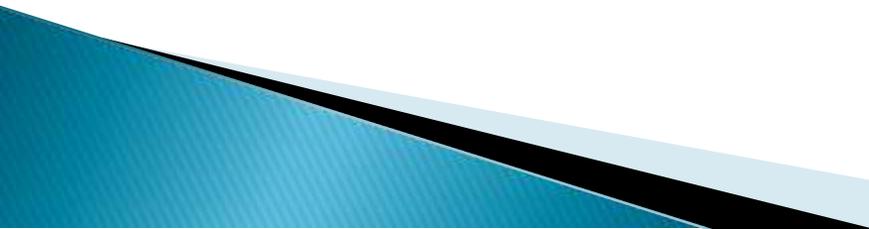
# OBJECTIVE OF THE ACT

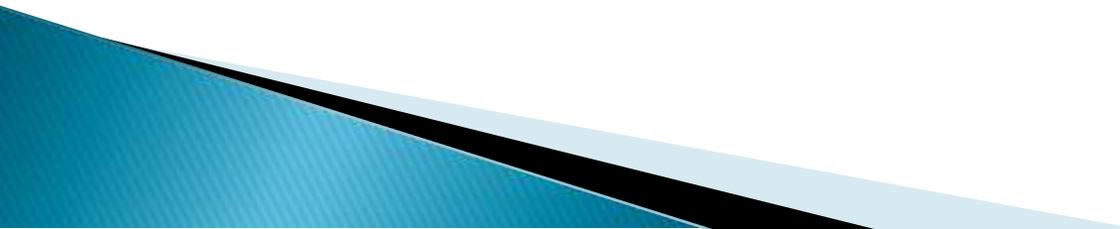
- ▶ The main objective of 2019 Act is to provide easy and inexpensive justice to the consumer against the unfair trade practice in market.
  - ▶ Establishment of authorities.
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# HIGHLIGHTS OF THE ACT

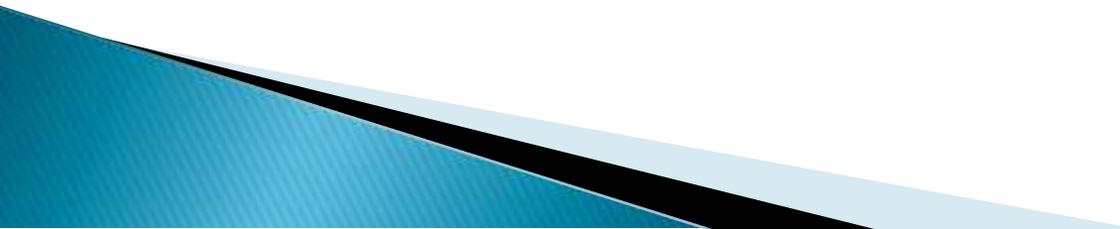
- ▶ Provide mediation facility
- ▶ Impose the product liability.
- ▶ Increase the pecuniary jurisdiction of the Commissions.
- ▶ Penalties for Misleading Advertisement
- ▶ Celebrity Endorsement
- ▶ E-Commerce Transactions Covered
- ▶ E-Filing of Complaints

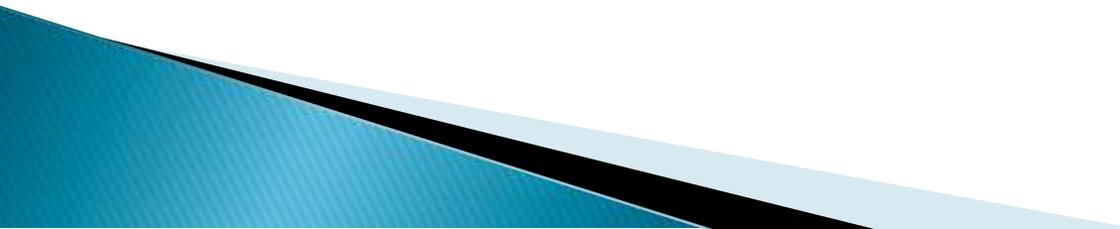
## CONSUMER RIGHTS- SECTION 2(9)

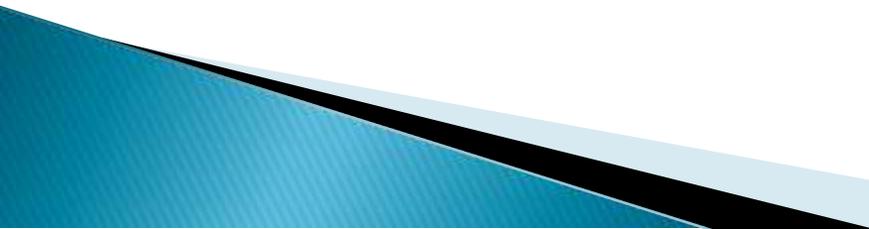
- ▶ Right to Safety which involves the right to be protected from the marketing of goods and services which can pose a threat to one's life and property.
  - ▶ Right to be informed: In order to save the consumer from unfair trade practices, he has all the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services.
  - ▶ Right to Choose which ensures he has the right to access varieties of goods as well as services.
- 

- ▶ Right to be heard where the consumer has all the right to be heard and all his interests will receive due consideration at appropriate forums.
  - ▶ Right to seek Redressal against any unfair trade practices or anything which may lead to customers exploitation.
  - ▶ Right to Consumer Education which helps one to be an informed consumer throughout their life and which may also prevent them from exploitation
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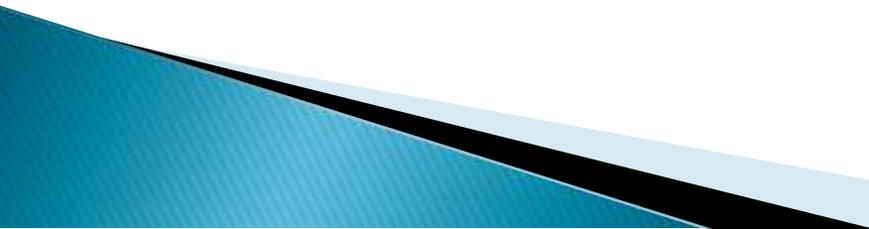
**IMPORTANT  
DEFINITIONS  
(SECTION 2)**



- ▶ (1) "advertisement" means any audio or visual publicity, representation, endorsement or pronouncement made by means of light, sound, smoke, gas, print, electronic media, internet or website and includes any notice, circular, label, wrapper, invoice or such other documents;
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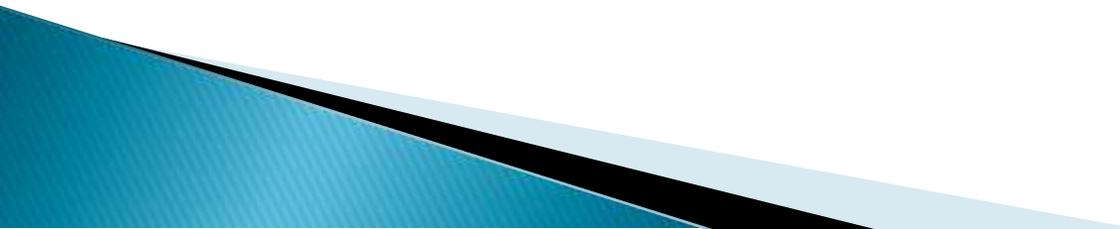
- ▶ (2) "appropriate laboratory" means a laboratory or an organisation—
    - (i) recognised by the Central Government; or
    - (ii) recognised by a State Government, subject to such guidelines as may be issued by the Central Government in this behalf; or
    - (iii) established by or under any law for the time being in force, which is maintained, financed or aided by the Central Government or a State Government for carrying out analysis or test of any goods with a view to determining whether such goods suffer from any defect;
- 

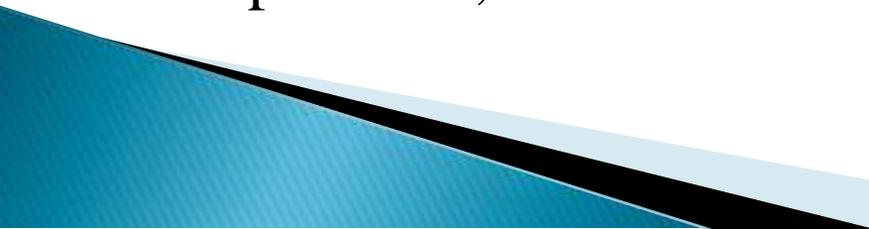
(5) "complainant" means—

- (i) a consumer; or
  - (ii) any voluntary consumer association registered under any law for the time being in force; or
  - (iii) the Central Government or any State Government; or
  - (iv) the Central Authority; or
  - (v) one or more consumers, where there are numerous consumers having the same interest; or
  - (vi) in case of death of a consumer, his legal heir or legal representative; or
  - (vii) in case of a consumer being a minor, his parent or legal guardian;
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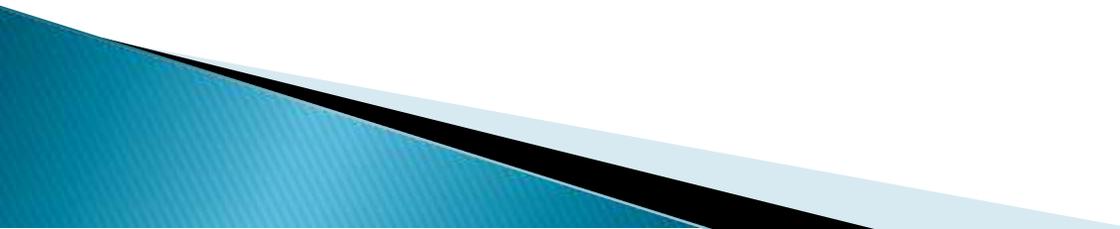
(6) "complaint" means any allegation in writing, made by a complainant for obtaining any relief provided by or under this Act, that—

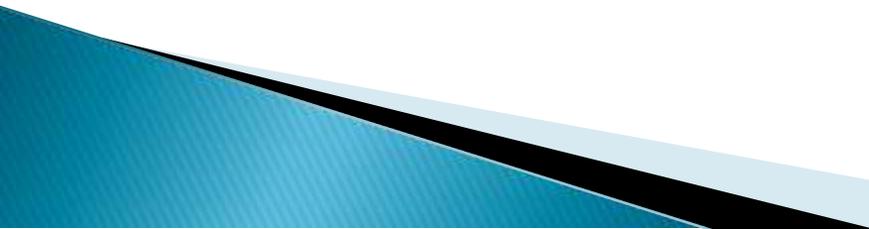
- (i) an unfair contract or unfair trade practice or a restrictive trade practice has been adopted by any trader or service provider;
  - (ii) the goods bought by him or agreed to be bought by him suffer from one or more defects;
  - (iii) the services hired or availed of or agreed to be hired or availed of by him suffer from any deficiency;
  - (iv) a trader or a service provider, as the case may be, has charged for the goods or for the services mentioned in the complaint, a price in excess of the price—
- 

- (a) fixed by or under any law for the time being in force;  
or
  - (b) displayed on the goods or any package containing such goods; or
  - (c) displayed on the price list exhibited by him by or under any law for the time being in force; or
  - (d) agreed between the parties;
- 

- (v) the goods, which are hazardous to life and safety when used, are being offered for sale to the public—
    - (a) in contravention of standards relating to safety of such goods as required to be complied with, by or under any law for the time being in force;
    - (b) where the trader knows that the goods so offered are unsafe to the public;
  - (vi) the services which are hazardous or likely to be hazardous to life and safety of the public when used, are being offered by a person who provides any service and who knows it to be injurious to life and safety;
  - (vii) a claim for product liability action lies against the product manufacturer, product seller or product service provider, as the case may be;
- 

- ▶ (7) "consumer" means any person who—
  - (i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose;  
or

- ▶ (ii) hires or avails of any service for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such service other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person, but does not include a person who avails of such service for any commercial purpose.
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- ▶ Explanation.—For the purposes of this clause,—
    - (a) the expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;
    - (b) the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing;
- 

- ▶ (8) "consumer dispute" means a dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint;
  - ▶ (10) "defect" means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or under any contract, express or implied or as is claimed by the trader in any manner whatsoever in relation to any goods or product and the expression "defective" shall be construed accordingly;
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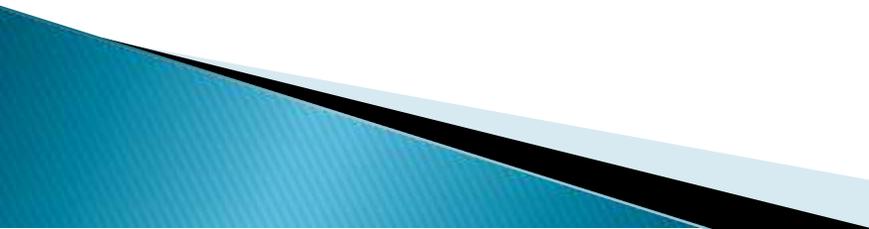
- ▶ (11) "deficiency" means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service and includes—
    - ▶ (i) any act of negligence or omission or commission by such person which causes loss or injury to the consumer; and
    - ▶ (ii) deliberate withholding of relevant information by such person to the consumer;
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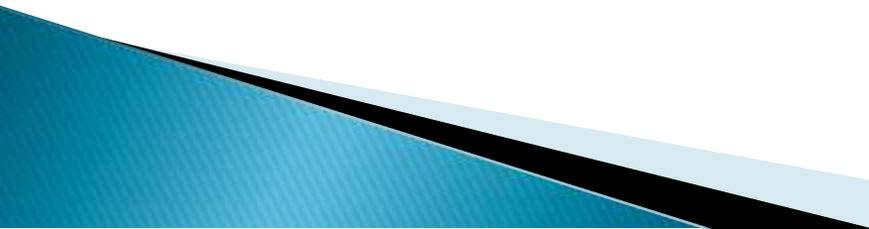
- (12) "design", in relation to a product, means the intended or known physical and material characteristics of such product and includes any intended or known formulation or content of such product and the usual result of the intended manufacturing or other process used to produce such product;
- (16) "e-commerce" means buying or selling of goods or services including digital products over digital or electronic network;
- (17) "*electronic service provider*" means a person who provides technologies or processes to enable a product seller to engage in advertising or selling goods or services to a consumer and includes any online market place or online auction sites;
- 

- ▶ (18) "endorsement", in relation to an advertisement, means—
- (i) any message, verbal statement, demonstration; or
  - (ii) depiction of the name, signature, likeness or other identifiable personal characteristics of an individual; or
  - (iii) depiction of the name or seal of any institution or organisation,

which makes the consumer to believe that it reflects the opinion, finding or experience of the person making such endorsement;

(19) "establishment" includes an advertising agency, commission agent, manufacturing, trading or any other commercial agency which carries on any business, trade or profession or any work in connection with or incidental or ancillary to any commercial activity, trade or profession, or such other class or classes of persons including public utility entities in the manner as may be prescribed;

- ▶ (20) "express warranty" means any material statement, affirmation of fact, promise or description relating to a product or service warranting that it conforms to such material statement, affirmation, promise or description and includes any sample or model of a product warranting that the whole of such product conforms to such sample or model
  - ▶ (21) "goods" means every kind of movable property and includes "food" as defined in clause (j) of subsection (1) of section 3 of the Food Safety and Standards Act, 2006;
- 

- ▶ (22) "harm", in relation to a product liability, includes—
    - (i) damage to any property, other than the product itself;
    - (ii) personal injury, illness or death;
    - (iii) mental agony or emotional distress attendant to personal injury or illness or damage to property; or
    - (iv) any loss of consortium or services or other loss resulting from a harm referred to in sub-clause (i) or sub-clause (ii) or sub-clause (iii), but shall not include any harm caused to a product itself or any damage to the property on account of breach of warranty conditions or any commercial or economic loss, including any direct, incidental or consequential loss relating thereto;
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(23) "injury" means any harm whatever illegally caused to any person, in body, mind or property;

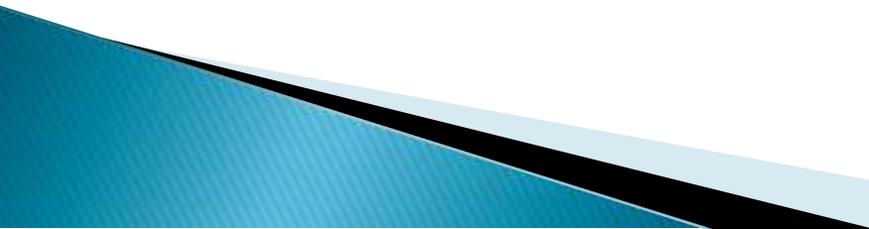
(24) "manufacturer" means a person who—

(i) makes any goods or parts thereof; or

(ii) assembles any goods or parts thereof made by others; or

(iii) puts or causes to be put his own mark on any goods made by any other person;

(25) "mediation" means the process by which a mediator mediates the consumer disputes;

- ▶ (28) "misleading advertisement" in relation to any product or service, means an advertisement, which—
    - (i) falsely describes such product or service; or
    - (ii) gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or
    - (iii) conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or
    - (iv) deliberately conceals important information;
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▶ (31) "person" includes—

(i) an individual;

(ii) a firm whether registered or not;

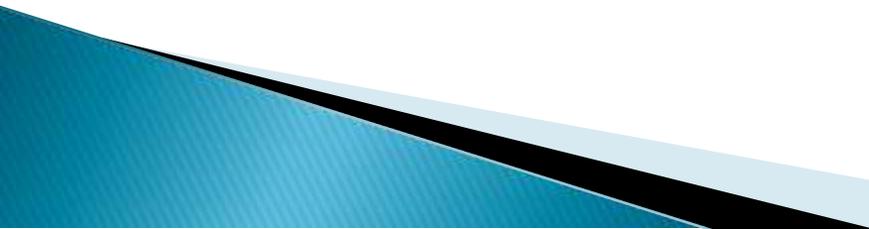
(iii) a Hindu undivided family;

(iv) a co-operative society;

(v) an association of persons whether registered under the Societies Registration Act, 1860 or not;

(vi) any corporation, company or a body of individuals whether incorporated or not;

(vii) any artificial juridical person, not falling within any of the preceding sub-clauses;

- ▶ (33) "product" means any article or goods or substance or raw material or any extended cycle of such product, which may be in gaseous, liquid, or solid state possessing intrinsic value which is capable of delivery either as wholly assembled or as a component part and is produced for introduction to trade or commerce, but does not include human tissues, blood, blood products and organs;
  - ▶ (34) "product liability" means the responsibility of a product manufacturer or product seller, of any product or service, to compensate for any harm caused to a consumer by such defective product manufactured or sold or by deficiency in services relating thereto;
- 

(35) "product liability action" means a complaint filed by a person before a District Commission or State Commission or National Commission, as the case may be, for claiming compensation for the harm caused to him;

(36) "product manufacturer" means a person who—

(i) makes any product or parts thereof; or

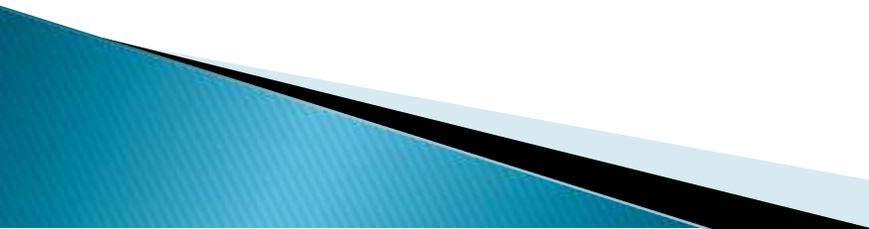
(ii) assembles parts thereof made by others; or

(iii) puts or causes to be put his own mark on any products made by any other person; or

(iv) makes a product and sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains such product or is otherwise involved in placing such product for commercial purpose; or

(v) designs, produces, fabricates, constructs or re manufactures any product before its sale; or

(vi) being a product seller of a product, is also a manufacturer of such product;

- ▶ (41) "restrictive trade practice" means a trade practice which tends to bring about manipulation of price or its conditions of delivery or to affect flow of supplies in the market relating to goods or services in such a manner as to impose on the consumers unjustified costs or restrictions and shall include—
    - (i) delay beyond the period agreed to by a trader in supply of such goods or in providing the services which has led or is likely to lead to rise in the price;
    - (ii) any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, services as condition precedent for buying, hiring or availing of other goods or services;
- 

(42) "service" means service of any description which is made available to potential users and includes, but not limited to, the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, telecom, boarding or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service;

- ▶ (43) "spurious goods" means such goods which are falsely claimed to be genuine;

- ▶ (47) "unfair trade practice" means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:—
  - (i) making any statement, whether orally or in writing or by visible representation including by means of electronic record, which—
    - (a) falsely represents that the goods are of a particular standard, quality, quantity, grade, composition, style or model;
    - (b) falsely represents that the services are of a particular standard, quality or grade;
    - (c) falsely represents any re-built, second-hand, renovated, reconditioned or old goods as new goods;
    - (d) represents that the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have;
    - (e) represents that the seller or the supplier has a sponsorship or approval or affiliation which such seller or supplier does not have;

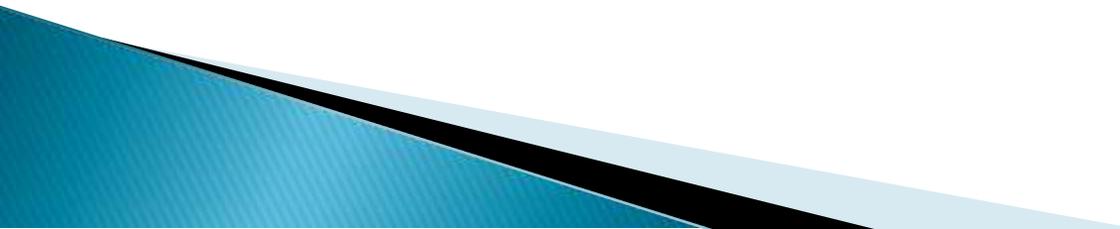
- (f) makes a false or misleading representation concerning the need for, or the usefulness of, any goods or services;
- (g) gives to the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof:

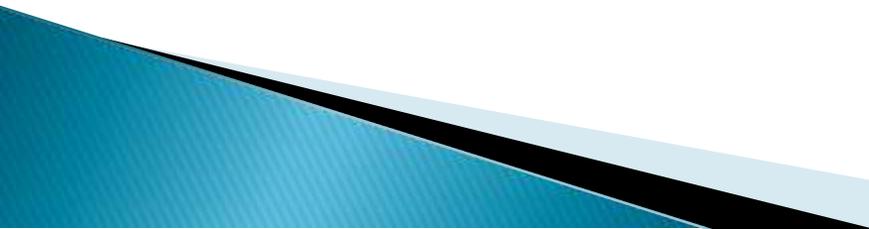
Provided that where a defence is raised to the effect that such warranty or guarantee is based on adequate or proper test, the burden of proof of such defence shall lie on the person raising such defence;

- (h) makes to the public a representation in a form that purports to be—
  - ▶ (A) a warranty or guarantee of a product or of any goods or services; or
  - ▶ (B) a promise to replace, maintain or repair an article or any part thereof or to repeat or continue a service until it has achieved a specified result,

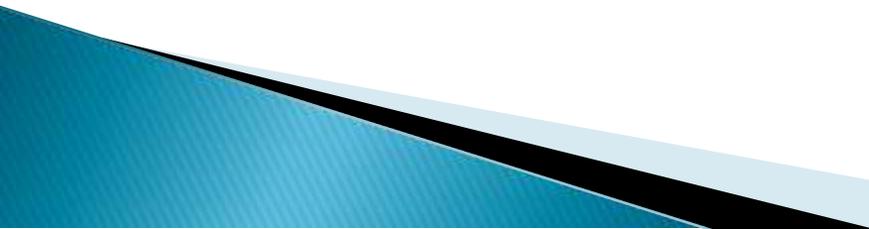
- ▶ if such purported warranty or guarantee or promise is materially misleading or if there is no reasonable prospect that such warranty, guarantee or promise will be carried out;
  - ▶ *(i) materially misleads the public concerning the price at which a product or like products or goods or services, have been or are, ordinarily sold or provided, and, for this purpose, a representation as to price shall be deemed to refer to the price at which the product or goods or services has or have been sold by sellers or provided by suppliers generally in the relevant market unless it is clearly specified to be the price at which the product has been sold or services have been provided by the person by whom or on whose behalf the representation is made;*
  - ▶ *(j) gives false or misleading facts disparaging the goods, services or trade of another person.*
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(ii) *permitting the publication of any advertisement, whether in an newspaper or otherwise, including by way of electronic record, for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price, or for a period that is, and in quantities that are, reasonable, having regard to the nature of the market in which the business is carried on, the nature and size of business, and the nature of the advertisement.*



- ▶ *(iii) permitting—*
  - ▶ *(a) the offering of gifts, prizes or other items with the intention of not providing them as offered or creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged, in the transaction as a whole;*
  - ▶ *(b) the conduct of any contest, lottery, game of chance or skill, for the purpose of promoting, directly or indirectly, the sale, use or supply of any product or any business interest, except such contest, lottery, game of chance or skill as may be prescribed;*
  - ▶ *(c) withholding from the participants of any scheme offering gifts, prizes or other items free of charge on its closure, the information about final results of the scheme.*
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- ▶ (iv) permitting the sale or supply of goods intended to be used, or are of a kind likely to be used by consumers, knowing or having reason to believe that the goods do not comply with the standards prescribed by the competent authority relating to performance, composition, contents, design, constructions, finishing or packaging as are necessary to prevent or reduce the risk of injury to the person using the goods;
- ▶ (v) permitting the hoarding or destruction of goods, or refusal to sell the goods or to make them available for sale or to provide any service, if such hoarding or destruction or refusal raises or tends to raise or is intended to raise, the cost of those or other similar goods or services;
- ▶ (vi) manufacturing of spurious goods or offering such goods for sale or adopting deceptive practices in the provision of services;

- ▶ vii) not issuing bill or cash memo or receipt for the goods sold or services rendered in such manner as may be prescribed;
  - ▶ (viii) refusing, after selling goods or rendering services, to take back or withdraw defective goods or to withdraw or discontinue deficient services and to refund the consideration thereof, if paid, within the period stipulated in the bill or cash memo or receipt or in the absence of such stipulation, within a period of thirty days;
  - ▶ (ix) disclosing to other person any personal information given in confidence by the consumer unless such disclosure is made
- 

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