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B.Com Honours | Semester 1 | Calicut University

Consumer Awareness and Protection

Course Code: COM1FM105 (3) • Module 1 Notes

1. Foundations & Conceptual Evolution of Consumer Protection

In market economics, the consumer is theoretically celebrated as the ultimate sovereign of the commercial universe—the concept of **Consumer Sovereignty** posits that consumer preferences dictate what goods are produced, in what quantities, and at what prices. However, in real-world commercial practice, individual consumers suffer from severe structural vulnerability. When an isolated individual confronts a massive multinational conglomerate, there exists an overwhelming imbalance in bargaining power, legal resources, technical knowledge, and information access. This profound information asymmetry transforms the theoretical "king of the market" into a victim of commercial exploitation.

Consumer Protection refers to the comprehensive body of statutory laws, regulatory oversight agencies, judicial dispute-resolution tribunals, and civil society movements designed to safeguard buyers of goods and services against market abuses, defective products, hazardous manufacturing, deceptive advertising, and monopolistic exploitation.

1.1 The Historic Jurisprudential Shift: Caveat Emptor to Caveat Venditor

The evolution of commercial legal doctrine across the twentieth and twenty-first centuries reflects a fundamental transition in legal liability:

Classical Doctrine: Caveat Emptor ("Let the Buyer Beware")

Originating in ancient English common law, this doctrine placed 100% of the burden of inspection, verification, and risk upon the purchaser. Sellers had no affirmative legal obligation to disclose latent defects or ensure suitability. Unless the buyer obtained an express warranty or proved deliberate fraud, the buyer possessed zero legal recourse if an purchased item was defective, toxic, or broke down immediately. *(Flaw: Feasible in simple agrarian barter markets, but completely unworkable in complex industrial societies where consumers cannot inspect microchips or chemical preservatives).*

Modern Doctrine: Caveat Venditor ("Let the Seller Beware")

The modern jurisprudential standard governing consumer law. Manufacturers, distributors, and service providers carry an affirmative, non-delegable legal duty to guarantee that goods sold are safe, fit for purpose, merchantable, and free from hidden manufacturing defects. If a product causes physical injury, property damage, or financial loss due to defective design or inadequate warning labels, the seller is held strictly liable under consumer protection statutes and product liability laws.

1.2 Manifestations of Consumer Exploitation in Modern Markets

In the absence of rigorous regulatory enforcement, profit-maximizing enterprises frequently deploy deceptive practices to exploit consumers:

TAXONOMY OF UNFAIR COMMERCIAL EXPLOITATION Market Abuses

Exploitation Mode	Operational Mechanism	Real-World Market Manifestation
1. Food & Drug Adulteration	Deliberately adding inferior, toxic, or foreign substances to commodities, or extracting vital components to maximize profit margins.	Mixing urea and detergent in milk; blending mineral oils into edible cooking oil; synthetic chalk in spices; counterfeit antibiotics.
2. Deceptive Weights & Measures	Tampering with physical scales, utilizing hollow-bottomed containers, or delivering short volumes of fuel and commodities.	Manipulating electronic fuel dispensary pulsers at petrol pumps; packaging 850 grams while billing for 1 kilogram.
3. False & Misleading Advertisements	Making scientifically unsubstantiated claims regarding product efficacy, medicinal cures, or performance attributes.	Fairness creams promising skin lightening in 7 days; health drinks claiming to increase height; miraculous cures for chronic diseases.
4. Artificial Scarcity & Hoarding	Secretly accumulating and withholding essential commodities from the market to artificially restrict supply and spike retail prices.	Cartels hoarding onions, pulses, or life-saving pharmaceutical drugs during seasonal shortages to generate windfall black-market profits.
5. Digital Dark Patterns & Hidden Charges	Engineering manipulative UI/UX digital workflows to trick online consumers into making unintended financial commitments.	Sneak-into-basket insurance fees on flight booking portals; disguised recurring subscriptions; fake countdown cancellation timers.

2. Institutional Machinery & Voluntary Consumer Organizations

The enforcement of consumer rights relies upon a synergistic partnership between statutory governmental authorities and autonomous civil society organizations.

2.1 Statutory Regulatory Oversight: The Central Consumer Protection Authority (CCPA)

Under Chapter III of the **Consumer Protection Act, 2019**, the Government of India established the **Central Consumer Protection Authority (CCPA)** as an apex executive regulatory watchdog headquartered in New Delhi. Unlike consumer commissions that merely adjudicate individual complaints, the CCPA possesses sweeping proactive enforcement powers analogous to the US Federal Trade Commission (FTC):

- **Sua Sponte Inquiries & Class Action Enforcement:** The CCPA can initiate investigations *suo motu* (on its own motion) or upon consumer complaint into widespread violations of consumer rights, unfair trade practices, and misleading advertisements impacting the public as a collective class.
- **Investigation Wing:** Headed by a Director-General equipped with statutory powers to conduct search-and-seizure operations, inspect commercial premises, and summon corporate records.
- **Mandatory Product Recalls:** Power to order the mandatory nationwide recall of hazardous goods and dangerous automobiles, and compel full financial refunds to all purchasers.
- **Heavy Financial Penalties & Endorser Liability:** Power to impose penalties of up to **₹10 Lakhs** (and up to **₹50 Lakhs** for subsequent violations) on manufacturers and advertising agencies. Furthermore, the CCPA can prohibit celebrity endorsers of misleading advertisements from endorsing any product for up to **1 to 3 years**.

2.2 Voluntary Consumer Organizations (VCOs) & Civil Society

Government regulation alone cannot monitor millions of daily retail transactions. **Voluntary Consumer Organizations (VCOs)**—non-governmental advocacy organizations (NGOs)—play an indispensable grassroots role in consumer emancipation:

Pioneering Indian Consumer NGOs

- **CGSI (Consumer Guidance Society of India):** Established in Mumbai in 1966; India's oldest consumer group, pioneering independent product testing.
- **CERC (Consumer Education and Research Centre):** Ahmedabad-based premier advocacy center; operates sophisticated laboratory facilities testing toxic chemical levels in consumer FMCG.
- **VOICE (Voluntary Organisation in Interest of Consumer Education):** Publishes comparative testing magazines evaluating electronics, appliances, and food.
- **CUTS International:** Focuses on national competition policy, international trade rules, and regulatory governance.

Core Functions of Consumer Organizations

- **Comparative Laboratory Testing:** Purchasing off-the-shelf branded goods, testing them in accredited labs, and publishing unbiased performance and toxicity reports.
- **Legal Representation & PILs:** Filing Public Interest Litigations (PILs) and class-action complaints before National Commissions on behalf of unorganized consumers.
- **Grassroots Consumer Education:** Conducting rural awareness workshops, school consumer clubs, and publishing literature exposing commercial scams.
- **Policy Advocacy:** Submitting research memorandums to parliamentary committees to strengthen statutory standards.

2.3 Public Redressal Channels: National Consumer Helpline & INGRAM

To eliminate legal expenses and delays associated with formal litigation, the Ministry of Consumer Affairs operates the **National Consumer Helpline (NCH - Toll-Free 1915)** and the **INGRAM (Integrated Grievance Redressal Mechanism)** portal. Over 800+ leading private corporations and public sector enterprises are integrated as convergence partners, resolving thousands of complaints through pre-litigation administrative conciliation within 30 to 45 days.

3. Consumer Awareness: Dimensions, Campaigns, and Standardization Marks

Consumer Awareness is the state of knowledge, critical consciousness, and assertiveness an individual possesses regarding their statutory rights, market options, product standards, and legal remedies. An uneducated consumer is vulnerable; an informed consumer is a market regulator.

3.1 The "Jago Grahak Jago" National Awareness Campaign

Launched in 2005 by the Department of Consumer Affairs, the **"Jago Grahak Jago" (Wake Up, Consumer, Wake Up!)** campaign is one of the most successful public interest awareness initiatives in Indian history. Utilizing multi-channel communication (television, radio, regional newspapers, social media, and rural street plays), the campaign educates citizens on:

- Demanding cash memos and tax invoices for every commercial purchase.
- Checking expiry dates, Best Before dates, and Maximum Retail Price (MRP) violations (charging above MRP is a statutory offense under Legal Metrology Act).
- Verifying authentic statutory certification quality marks on packaged goods.
- Reporting cyber fraud, fake courier delivery SMS scams, and spurious consumer goods.
- **Commemorative Days:** *National Consumer Day* is observed annually on **December 24** (commemorating the presidential assent of the Consumer Protection Act, 1986), while *World Consumer Rights Day* is celebrated globally on **March 15**.

3.2 Statutory Quality Standardization Certification Marks in India

To assist consumers in identifying safe, genuine, and standardized products, the Indian government mandates specific statutory certification marks:

STATUTORY QUALITY CERTIFICATION MARKS IN INDIA Standardization Matrix

Certification Mark	Administering Authority	Covered Product Scope	Mandatory vs. Voluntary
ISI Mark	Bureau of Indian Standards (BIS)	Industrial goods, electrical appliances (switches, heaters), LPG cylinders, cement, baby food, packaged drinking water.	**Mandatory** for hazardous goods; voluntary for others.
AGMARK	Directorate of Marketing & Inspection (DMI)	Agricultural and food commodities: edible oils, honey, ghee, spices, pulses, wheat flour.	Voluntary quality grade standard.
BIS Hallmark	Bureau of Indian Standards (BIS)	Precious metals: Gold and Silver jewelry. Displays BIS logo, purity grade (e.g., 22K916), and unique 6-digit alphanumeric **HUID**.	**Mandatory** for gold jewelry sales nationwide.
FSSAI Logo & License	Food Safety and Standards Authority of India	All manufactured, processed, packaged, or imported food and beverage items sold in India.	**Mandatory** on every food packet.
Eco-Mark	Bureau of Indian Standards (BIS)	Environmentally friendly products that conform to strict environmental criteria (represented by an earthen pot logo).	Voluntary eco-labeling scheme.

4. The Six Statutory Consumer Rights & Consumer Responsibilities

Modern consumer jurisprudence traces its conceptual roots to President John F. Kennedy's historic March 15, 1962 Special Message to the US Congress, in which he proclaimed that "*Consumers, by definition, include us all... they are the largest economic group, affecting and affected by almost every public and private economic decision. Yet they are the only important group whose views are often not heard.*" Kennedy articulated four fundamental rights: the Right to Safety, Right to be Informed, Right to Choose, and Right to be Heard. The United Nations expanded these in 1985, and India's **Consumer Protection Act, 2019 (Section 2(9))** codified **Six Inalienable Consumer Rights**.

4.1 The Six Statutory Consumer Rights under Section 2(9) of CPA, 2019

1. Right to Safety

The right to be protected against the marketing of goods, products, or services that are hazardous to life, health, or property. Imposes strict duties on manufacturers of electrical appliances, medicines, food products, and automobiles to meet rigorous safety protocols.

2. Right to Information

The right to be informed about the quality, quantity, potency, purity, standard, and price of goods, products, or services. Empowers the consumer to make informed choices and prevents unfair trade practices. Mandates comprehensive labeling (ingredients, MRP, expiry, manufacturing details).

3. Right to Choose

The right to be assured, wherever possible, of access to a variety of goods, products, or services at competitive prices. Protects against monopolistic tie-in sales (e.g., a school forcing parents to buy uniforms exclusively from a single vendor, or a cinema banning outside water without providing free drinking water).

4. Right to be Heard

The right to be heard and to be assured that consumer interests will receive due consideration in appropriate governmental, regulatory, and judicial forums. Ensures consumer representation on statutory advisory councils and corporate grievance desks.

5. Right to Seek Redressal

The right to seek legal remedies against unfair trade practices, restrictive trade practices, or unscrupulous exploitation of consumers. Includes the right to a fair settlement of genuine claims, compensation for defective goods, replacement, repair, or full financial refund.

6. Right to Consumer Education

The right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of rights is the root cause of exploitation; governments and universities must embed consumer rights within formal academic curricula.

4.2 Corresponding Consumer Responsibilities: The Duty of Vigilance

Legal rights cannot exist in a vacuum; they must be accompanied by corresponding civic **Consumer Responsibilities**. A consumer who acts carelessly forfeits legal moral standing. Core responsibilities include:

- **Exercising Prudence & Critical Thinking:** Never succumbing blindly to unrealistic advertising promises or miracle cure claims.
- **Demanding Cash Memos & Tax Invoices:** Under consumer law, an official cash memo is the indispensable evidentiary proof of purchase. Buying without a bill to evade GST deprives the consumer of legal standing before Consumer Commissions.
- **Checking Quality Certification Marks:** Insisting on purchasing ISI, AGMARK, BIS Hallmark, and FSSAI certified products.
- **Inspecting Product Disclosures:** Diligently reading labels for date of manufacture, "Best Before" / Expiry date, net weight, ingredients, and allergy warnings.
- **Asserting Legitimate Complaints:** Resisting apathy. Filing formal complaints even for small financial damages (e.g., being overcharged ₹5 above MRP) to deter corporate impunity.

5. Landmark Case Studies & Ethical Consumer Behaviour

The practical contours of consumer protection law have been forged through precedent-setting judicial battles and evolving societal standards of ethical consumption.

5.1 Landmark Judicial Precedents in Consumer Jurisprudence

LANDMARK CONSUMER JUDICIAL PRECEDENTS IN INDIA Case Law Benchmarks

Case Title & Citation	Core Legal Controversy	Supreme Court Ratio Decidendi & Impact
Indian Medical Association v. V.P. Shantha (1995) 6 SCC 651	Whether medical services provided by doctors, private hospitals, and nursing homes fall within the definition of "service" under Consumer Protection law.	The Supreme Court ruled that **medical treatments rendered for consideration constitute a "service"**. Patients can sue negligent doctors and private hospitals for medical negligence before Consumer Forums, radically democratizing healthcare accountability in India.
Jacob Mathew v. State of Punjab (2005) 6 SCC 1	Differentiating between civil medical negligence under consumer law and criminal rashness under Section 304A IPC.	Established that a medical practitioner is not liable for negligence simply because something went wrong. To establish liability, the doctor must have demonstrated a lack of reasonable skill or failed to exercise the standard degree of care expected of an ordinary competent practitioner in that field.
Nestlé India Ltd. v. FSSAI (Maggi Noodles Case, 2015)	Food safety violation: presence of lead exceeding permissible limits (2.5 ppm) and misleading "No Added MSG" labels on noodle packages.	Bombay High Court and national authorities enforced nationwide product recalls of over 30,000 tonnes of Maggi noodles, establishing that multinational food brands face absolute product safety liability for deceptive packaging claims.

5.2 Ethical Considerations in Consumer Behaviour & Sustainability

Modern consumerism extends beyond individual self-interest to encompass broader ethical duties toward society and the biosphere:

1. Sustainable & Mindful Consumption

Rejecting hyper-consumerism and disposable "fast fashion" that clogs landfills. Adopting the principles of the **Circular Economy**: Reduce, Reuse, Recycle, and Refuse. Actively supporting local organic farmers, fair-trade producers, and zero-plastic packaging initiatives.

2. Resisting Counterfeiting & Piracy

Refusing to purchase pirated software, counterfeit luxury goods, or smuggled commodities. Counterfeit markets fund organized criminal syndicates, evade sovereign taxes that support public hospitals and schools, and pose severe safety hazards (e.g., fake lithium batteries exploding).

3. Consumer Activism & Ethical Boycotts

Exercising the collective power of the purse. When a corporation utilizes child labor, pollutes local water bodies with toxic effluent, or engages in abusive workplace practices, organized ethical consumers execute collective purchasing boycotts, forcing corporate governance reforms.

4. Exposing Corporate "Greenwashing"

Greenwashing occurs when a company spends more money marketing itself as "eco-friendly" than actually minimizing its environmental footprint. Ethical consumers demand verifiable third-party life-cycle environmental audits rather than superficial green marketing slogans.

6. Calicut University Examination Bank: Questions & Solutions

The following curated question-solution sets reflect the exact academic standards, conceptual depth, and analytical rigor prescribed by Calicut University for **COM1FM105 (3): Consumer Awareness and Protection** (Module I: Introduction to Consumer Protection).

Part A: Short Answer Questions (2 Marks Each)

Question 1 [Part A - 2 Marks] **Cognitive Level: Understand**

Define a "Consumer" under Section 2(7) of the Consumer Protection Act, 2019.

Under Section 2(7) of the Consumer Protection Act 2019, a **Consumer** is any person who buys any goods or hires/avails of any service for a consideration which has been paid, promised, or partly paid, including offline and online e-commerce transactions. It explicitly *excludes* any person who obtains goods for resale or for any commercial purpose (except self-employment livelihood).

Question 2 [Part A - 2 Marks] **Cognitive Level: Understand**

Distinguish between Caveat Emptor and Caveat Venditor.

Caveat Emptor ("Let the buyer beware") is the classical doctrine where the entire risk and duty of inspecting goods falls upon the buyer. **Caveat Venditor** ("Let the seller beware") is the modern legal standard where manufacturers and sellers are held legally responsible for ensuring that goods are safe, defect-free, merchantable, and fit for their intended purpose.

Question 3 [Part A - 2 Marks] **Cognitive Level: Remember / Understand**

State the six fundamental consumer rights recognized under the Consumer Protection Act, 2019.

Under Section 2(9) of CPA 2019, the six statutory rights are: (1) **Right to Safety**, (2) **Right to be Informed**, (3) **Right to Choose**, (4) **Right to be Heard**, (5) **Right to Seek Redressal**, and (6) **Right to Consumer Education**.

Question 4 [Part A - 2 Marks] **Cognitive Level: Understand**

What is the Central Consumer Protection Authority (CCPA)? State its primary function.

The **Central Consumer Protection Authority (CCPA)** is the statutory executive regulatory body established under the CPA 2019 to promote, protect, and enforce the rights of consumers as a class. Its primary function is to investigate unfair trade practices, initiate class-action actions, order mandatory product recalls, and penalize misleading advertisements.

Question 5 [Part A - 2 Marks] **Cognitive Level: Remember / Understand**

What do the ISI and AGMARK certification marks signify?

The **ISI Mark** is certified by the Bureau of Indian Standards (BIS), guaranteeing quality and safety standards for industrial and electrical goods (appliances, LPG cylinders, cement). **AGMARK** is certified by the Directorate of Marketing & Inspection (DMI), certifying the purity and quality grading of agricultural and food commodities (honey, ghee, spices).

Question 6 [Part A - 2 Marks] **Cognitive Level: Remember**

On which dates are National Consumer Day and World Consumer Rights Day observed?

National Consumer Day is observed across India on **December 24** (commemorating the presidential assent of the Consumer Protection Act in 1986). **World Consumer Rights Day** is celebrated globally on **March 15** (commemorating President John F. Kennedy's 1962 declaration of consumer rights).

Question 7 [Part A - 2 Marks] **Cognitive Level: Understand**

State two essential responsibilities of a consumer while purchasing goods.

Two essential consumer responsibilities are: (1) **Demanding an official Cash Memo / Tax Invoice** as conclusive evidentiary proof of transaction, and (2) **Checking statutory certification quality marks** (ISI, AGMARK, FSSAI, BIS Hallmark) and verifying expiry dates before payment.

Question 8 [Part A - 2 Marks] **Cognitive Level: Understand**

What was the landmark legal ratio established in Indian Medical Association v. V.P. Shantha?

In *IMA v. V.P. Shantha (1995)*, the Supreme Court established that **medical professionals, private nursing homes, and hospitals providing paid healthcare services fall within the ambit of "service"** under Consumer Protection law, entitling aggrieved patients to sue for medical negligence before Consumer Commissions.

Part B: Short Essay / Conceptual Questions (5 Marks Each)

Question 9 [Part B - 5 Marks] **Cognitive Level: Analyze**

Explain the Right to Safety and Right to Information under the Consumer Protection Act, 2019. Illustrate their practical significance for consumers.

1. Right to Safety:

- Guarantees protection against the marketing of goods and services that pose hazards to life, physical health, or property.
- *Practical Significance:* Compels manufacturers of electrical appliances, baby foods, medicines, and gas cylinders to adhere strictly to national BIS safety standards. If a defective home appliance catches fire or a medicine lacks child-proof packaging, this right establishes strict product liability against the manufacturer.

2. Right to Information:

- Guarantees the right to be fully informed regarding the quality, quantity, potency, ingredients, date of manufacture, expiry date, Maximum Retail Price (MRP), and net weight of all commercial goods.
- *Practical Significance:* Enables consumers to make rational, price-conscious choices and protects against deceptive packaging. For example, mandatory nutritional labels allow diabetic patients to identify hidden sugars, and clear MRP displays prevent shopkeepers from charging arbitrary black-market markups during seasonal shortages.

Question 10 [Part B - 5 Marks] **Cognitive Level: Analyze**

Discuss the role and functions of Voluntary Consumer Organizations (VCOs) in protecting consumer interests in India.

Voluntary Consumer Organizations (NGOs such as CGSI, CERC, VOICE, and CUTS) serve as vital watchdogs in consumer empowerment:

1. Comparative Product Testing: VCOs operate independent, accredited testing laboratories. They purchase consumer products directly off retail shelves and test them for chemical toxicity, efficacy, and safety (e.g., testing pesticide residues in bottled water), publishing unbiased comparative ratings.

2. Legal Aid & Class Action Litigations: VCOs provide free legal advice to poor or uneducated consumers and file class-action lawsuits and Public Interest Litigations (PILs) before the National Consumer Commission (NCDRC) and the Supreme Court.

3. Consumer Education & Training: Conducting rural awareness seminars, organizing school consumer clubs, and publishing consumer journals (e.g., *Consumer Voice*) to enlighten citizens on deceptive marketing traps.

4. Policy Formulation: Serving on statutory governmental standard-setting committees (BIS committees) to ensure consumer interests are represented in industrial manufacturing codes.

Question 11 [Part B - 5 Marks] **Cognitive Level: Understand & Apply**

Explain the powers and functions of the Central Consumer Protection Authority (CCPA) under the Consumer Protection Act, 2019. How does it protect consumers from misleading advertisements?

The **Central Consumer Protection Authority (CCPA)** is an executive regulatory body created under CPA 2019 to prevent class-wide consumer exploitation:

1. Investigative Powers: Equipped with an independent Investigation Wing headed by a Director-General with powers to execute search-and-seizure operations, audit corporate records, and investigate systemic market cartels.

2. Mandatory Product Recalls: The CCPA can order manufacturers to withdraw hazardous goods from the market, halt unsafe services, and issue full refunds to all consumers.

3. Regulation of Misleading Advertisements:

- The CCPA issued the *Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022*, banning surrogate advertising, bait advertising, and dark patterns.
- Can levy financial fines up to **₹10 Lakhs** (up to ₹50 Lakhs for repeat offenses) on manufacturers, advertisers, and digital publishers.
- Empowered to **ban celebrity endorsers** who promote false claims without conducting personal due diligence from endorsing any product for up to 1 to 3 years.

Part C: Comprehensive Essay & Case Study Questions (10 / 15 Marks)

Question 12 [Part C - 15 Marks] **Cognitive Level: Evaluate & Synthesize**

Comprehensive Essay: Trace the historical evolution of consumer protection jurisprudence from the classical doctrine of Caveat Emptor to Caveat Venditor. Critically examine the six statutory consumer rights under the Consumer Protection Act, 2019, and evaluate the corresponding responsibilities required of an enlightened consumer.

The Evolution of Consumer Protection: From Caveat Emptor to Modern Rights

The relationship between buyers and sellers is the foundational core of commercial law. Across centuries, the legal balance of power has undergone a seismic revolution from complete buyer vulnerability to statutory seller accountability.

1. The Historical Transition of Legal Doctrines

- **The Era of Caveat Emptor ("Let the Buyer Beware"):** In traditional agrarian markets, goods were simple and open to visual inspection (grain, cattle, timber). The common law operated on the premise that buyers and sellers possessed equal inspection capacity. Sellers had zero duty to disclose defects, and buyers bore 100% of the loss unless fraud was proven.
- **Industrial Revolution & Market Failure:** With the rise of mass manufacturing, synthetic chemicals, complex electronics, and global supply chains, consumers could no longer visually evaluate product safety. The doctrine of Caveat Emptor became an instrument of corporate exploitation, leading to contaminated food scandals, lethal pharmaceutical disasters (e.g., the Thalidomide catastrophe), and unregulated monopolies.
- **The Triumph of Caveat Venditor ("Let the Seller Beware"):** Modern consumer jurisprudence places strict liability on manufacturers. Sellers carry non-negotiable implied conditions of merchantability, fitness for purpose, and safety under the Sale of Goods Act and the Consumer Protection Act, 2019.

2. The Six Statutory Consumer Rights under CPA 2019

- **1. Right to Safety:** Protection against life-threatening goods and services. Enforces strict liability for electrical fires, exploding batteries, and contaminated pharmaceuticals.
- **2. Right to Information:** Full transparency regarding product potency, ingredients, dates, and pricing, empowering rational decision-making.
- **3. Right to Choose:** Unrestricted access to competitive markets, legally prohibiting anti-competitive tying agreements.
- **4. Right to be Heard:** Representation of consumer interests before government policy bodies and corporate grievance portals.
- **5. Right to Seek Redressal:** Statutory judicial remedies before Consumer Commissions: repairs, replacements, refunds, punitive damages, and compensation for mental agony.
- **6. Right to Consumer Education:** Lifelong acquisition of market literacy to resist manipulative advertising and commercial scams.

3. The Essential Counterpart: Consumer Responsibilities

An assertive consumer base is the ultimate defense against corporate malpractice. Consumers must fulfill critical civic duties:

- **Insisting on Cash Memos:** Official invoices serve as mandatory legal evidence; avoiding bills to save GST forfeits all legal protection under CPA 2019.
- **Verifying Statutory Quality Marks:** Demanding ISI for industrial appliances, AGMARK for agricultural products, BIS Hallmark with HUID for gold, and FSSAI license numbers on food.
- **Diligent Label Inspection:** Verifying expiry dates, batch numbers, net quantity, and manufacturer contact credentials.
- **Asserting Civic Redressal:** Filing formal complaints before Consumer Commissions or the National Consumer Helpline (1915) to ensure corporate accountability for the broader community.

Question 13 [Part C - 15 Marks] **Cognitive Level: Apply & Synthesize**

Consumer Case Study Analysis:

1. **Anil purchases a popular brand of electric water heater (geyser) from a home appliance retailer in Calicut without an official cash memo to save 18% GST. Within two weeks, due to a severe internal electrical short-circuit caused by substandard wiring lacking the mandatory ISI certification, the geyser explodes, causing third-degree burn injuries to Anil's arm and destroying the bathroom plumbing.**
    - **Identify which statutory consumer rights were violated by the manufacturer and retailer.**
    - **Evaluate how Anil's failure to obtain a cash memo impacts his legal claim before the District Consumer Disputes Redressal Commission.**
    - **Explain the doctrine of "Product Liability" under Chapter VI of the Consumer Protection Act, 2019 and determine who can be held legally liable to compensate Anil.**
2. **A leading cosmetic company hires a prominent film actor to endorse a "Hair Growth Miracle Serum," claiming on television advertisements that it *"regrows 10,000 hair follicles in 14 days guaranteed by Swiss clinical trials."* A consumer laboratory reveals that the serum contains only water and perfumed alcohol with zero active hair-growth ingredients. Under the CCPA Misleading Advertisement Guidelines 2022, analyze the legal liability and penalties that can be imposed on: (a) The Cosmetic Manufacturer, and (b) The Celebrity Endorser.**

Comprehensive Legal & Practical Solutions

Part 1: The Defective Water Heater Case

- **Violated Consumer Rights:**
    - *Right to Safety:* The manufacturer sold a life-threatening, hazardous appliance with substandard internal wiring, violating fundamental safety standards.
    - *Right to Information:* Concealing the absence of mandatory ISI certification and selling hazardous electrical goods.
- **Impact of Missing Cash Memo:**
    - Anil committed a severe consumer responsibility failure by purchasing without a bill to evade GST. Under Section 2(7) of CPA 2019, a consumer must establish that goods were purchased for a lawful consideration.
    - While the absence of a physical cash memo makes proving the transaction challenging, Anil can still establish the purchase through secondary evidentiary means: electronic payment records (UPI transaction ID, credit card statement), retailer warranty cards, serial numbers matching the retailer's inventory register, or retailer text messages. However, his failure exposes him to cross-examination and potential tax penalties.
- **Product Liability under Chapter VI of CPA, 2019:**
    - Under Section 83 of CPA 2019, an action for **Product Liability** may be brought against a *Product Manufacturer, Product Service Provider, or Product Seller* for any harm caused by a defective product.

- *Manufacturer Liability (Section 84):* The manufacturer is strictly liable because the geyser contained a manufacturing defect, deviated from safety standards, and failed to contain adequate warnings regarding electrical hazards.
- *Seller Liability (Section 86):* The retailer in Calicut is also directly liable because they sold an appliance without the mandatory ISI certification mark and failed to verify statutory standards. Both manufacturer and seller can be held jointly and severally liable to pay full compensation for Anil's medical hospital expenses, permanent bodily impairment, and property damage.

Part 2: The Misleading Celebrity Endorsement Case

- **Legal Liability of the Cosmetic Manufacturer:**
  - The advertisement constitutes a **Misleading Advertisement** under Section 2(28) of CPA 2019 because it falsely describes the product and makes unsubstantiated clinical efficacy claims.
  - Under Section 21, the **Central Consumer Protection Authority (CCPA)** can direct the manufacturer to immediately discontinue or modify the advertisement, mandate public corrective advertisements, and impose a direct monetary penalty of up to **₹10 Lakhs** (up to **₹50 Lakhs** for repeat violations).
- **Legal Liability of the Celebrity Endorser:**
  - Under the *CCPA Guidelines for Prevention of Misleading Advertisements, 2022*, celebrity endorsers carry a statutory duty of **Due Diligence**. They cannot mindlessly promote products based on false claims. The actor must prove they reviewed authentic scientific evidence verifying the claim.
  - Because the serum was clinically bogus, the CCPA is empowered under Section 21(2) to impose a financial penalty of up to **₹10 Lakhs** on the celebrity endorser and issue an order **prohibiting the celebrity from endorsing any product or service for a period of up to 1 year** (extendable to 3 years for repeat violations).