CHAPTER III

AN OUTLOOK OF CONSUMER PROTECTION MEASURES

3.1 Introduction:

The ultimate aim of production is consumption. If the consumers for consumption do not purchase the goods produced, production shall become meaningless. Every consumer has certain wants and a strong desire to satisfy them. The consumer purchases certain goods under the impression that the goods would satisfy his wants; he will discard the product and switch over to some other product, which can effectively satisfy his needs. He shall also propagate that a particular product is inferior and some other is superior. If the product fails in the esteem of the consumers and individual enterprise which is manufacturing that product shall also face various consequences like poor turn over, regular losses and ultimately result in the closure of that industrial enterprise.

This being the case, every producer should satisfy the needs of the consumer effectively for the very existence of his enterprise. Particularly in a free enterprise economy, the consumer is regarded as the King. The modern concept of marketing also accepts the place of the consumer. Philip Kotler in this connection rightly remarked that “we are not the boss, the consumer is; what the consumer wants, the consumer gets”. So it is no doubt that the consumer's interest is best-protected in open competition.

In certain cases, consumers are frequently cheated, fleeced and exploited by suppliers instead of getting fair value for their money's worth in the exchange process, for the purpose of profit making, business failed to discharge social responsibilities of maintaining and charging fair prices, supplying quality and standard goods and providing other services to the consumer.
Due to various problems given by business firms, consumer rights lead them to unite together to defend their interest and as result whereof unscrupulous business firms became the target of these consumer interest groups. The rise of the consumer groups has been one of the most remarkable developments in the recent history of mankind. This phenomenon of group awakening ushered in a social movement to fight injustice and seek a fair deal in the exchange process. Thus the organised movement of consumers is known as CONSUMERISM which emerged as a counter veiling defensive force to safeguard the interest of consumers from the abuses of economically powerful sellers.

3.2 Consumerism: It’s meaning

Consumerism is the name given to consumer protection movement. Different persons have different opinion regarding that. It is described as an organised activity to safeguard the interest of consumers; as a collective action of consumers to secure protection from commercial terrorism; as an organised expression for an improved quality of like, as the attitudes and activities of consumers to secure a balance of strength between them and the procedures as an organised efforts of consumers seeking redress, destitution and remedy for dissatisfaction they accumulate in the acquisition of their standards of living; as an organised act of consumers to make sellers remove their ignorance at the realities of the market place, as a citizen's activity towards fighting trade injustice and sensitizing of the public conscience, as an organised reaction of consumers to have business unfair practices remedied, as a strategy to make consumers voracious and compulsive in the elimination of explosive practices of trade, as an organised social movement of concerned. Public too protect the rights and powers of budget in relation to sellers.

Consumerism is a collective endeavor of the consumer to protect their interest against exploitation. It can also be described as the organizations activities and attitudes of the consumers in their relation to the distribution of goods and services. It
is also known as consumer movement. Various authorities also variously define the term. Consumerism the most issues vary in definition depending on who is defining.

Definition of Philip Kotler Consumerism is an organised movement of concerned citizens and Government to enhance the rights and power of buyers in relation to sellers. This is of course is a simple definition but does not convey all the implications of consumerism.

Definition of William J. Stanton, According to Stanton the term Consumerism can be defined as "the actions of the individuals and organisations (consumer, Government, and business) responding to consumer dissatisfactions in exchange relationship. It is both

1. A protest against perceived injustice
2. Efforts to remedy those injustice.

In the foregoing discussion, we have seen the various rights to the buyers and sellers in exchange relationship. It is also evident from our discussion that the balance of power lies with the sellers. In other words, the seller is placed in an advantageous position than the buyers. Consumerism is an expression of this opinion and an attempt to achieve a more equal balance of power between the buyers and the sellers. That is why Mrs. Virginia H. Koraner declared correctly Consumerism may simply be expressed as let the seller beware in comparison to the age old lareal emtor or let buyer beware.

The term consumerism appears to be uniquely associated with the past decade. Even in short period it has undergone a number of changes in meaning. Varue Packard, one of the earliest adopters of the term, linked consumerism with strategies for persuading consumers to quickly expand their needs and wants by making them "Voracious, compulsive, and wasteful'. His usage clearly reflected the concerns of the fifties with planned obsolescence, declining quality and poor service in saturated consumer good market.
The most common understanding of consumerism is in reference to the widening range of activities of Government, business and independent organisations that are designed to protect individuals from practices (of both business and government) that intrigue upon their rights as consumers. This view of consumerism shows direct relationship between the individual consumer and the business firm. Because it is an evolving concept, there is no accepted list of the various facets of this relationship. The following is representative:

1. **Protection against clear-cut abuses:**

   This encompasses outright fraud and deceit that are a part of the dark side of the market place” as well as dangers of health and safety from voluntary use of a product. There is substantial agreement in principle between business and consumer spokesman that such abuses must be prevented but there is often a wide divergence of opinion on the extent of the problem. As a result the Government has taken the initiative in this area, usually after divulgence of a sensational abuse. This has been the case with much of the legislation dealing with drug, tire, auto and pipeline safety etc. Even this is the least controversial and older aspect of consumerism.

2. **Provision of adequate information:**

   The concern here is with the economic interest of the consumer. The question is whether the right to information goes beyond the right not to be deceived, to include the provision of performance information that will ensure a wise purchase. Most of the controversy and confusion over consumerism revolves around this basic issue. The two popular positions identified by Bover and Greyser are the business view that the buyer should be guided by this judgment of the manufacturers reputation and the quality of the brand, versus the view of consumer spokesman that information should be provided by impartial sources and performance characteristics.
3. The protection of consumer against themselves and other consumers:

Some of the thrust behind consumerism comes from the growing acceptance of the position and paternalism is a legitimate policy. Sometimes some actions serve only the interest of individuals, but not the society as a whole. This is a strong justification for the protection of inexperienced, poorly educated consumers. Consumerism which is an organised movement tries to remove this.

Thus, consumerism expresses itself in efforts to bring pressure on business firms as well as Government to correct business conduct though unethical. Its main thrust encompasses a multitude of group actions concerned with issues such as:

2. The availability of product
3. Price information
4. Fraudulent and deceptive business practices and
5. Product safety

3.3 Marketing - A leader for consumerism:-

The ultimate object of all production is consumption. Adam Smith has rightly remarked that "Consumption is the sole end and purpose of all production". As such, consumers are the targets of many activities performed by business people. The satisfaction of the consumer is the main perhaps the most sensible objective of the business firms. All other objects, though, important are only ancillary, but until recently the producers overlooked the importance of consumption and all other agencies and institutions involved in the marketing process. So long as the sources of supply were limited, it was possible for the producers to concentrate more on the production efficiency. The consumer’s demand was also unsophisticated. In fact, even in the 19th century, the industrialists paid more attention on the exploitation of the sources of supply of raw materials and threw their product on the market as soon
as possible. The consumer came only in the last scene and he has no other alternative other to accept the goods and services supplied by the producers. Thus, even the producers of the last century cared very little about the consumers.

But those days have gone. Production is now carried on in every country on a fabulous scale. Each country is producing more than what the society immediately needs. With the result, markets became national and international. The competition between various units also became more acute. The markets became seller's markets. Therefore, the producers began to realize the importance of the consumers, the nature and size of business units. There was a complete reorientation of the business philosophy. The consumer orientation has become the basic factor of the management science. The businessmen began to realize that their objective of profit making could be possible only through consumer satisfaction. Without satisfying the consumers, no businessman can think of profit or the steady growth of his business unit and even the very existence of the business unit has become dependent on its effectiveness in satisfying the consumer.

Now-a-days, all businessmen are trying their best to ascertain the consumer’s reaction, their preference, their attitudes and variations in their tastes etc. They have to adjust their business activities to secure maximum satisfaction of the consumers. This needs the flow of information from the consumers to the producers. In other words, collection of proper information from the consumer oriented marketing. Only on the basis of the information collected, the producer can adjust his production to suit to the tastes, preferences and choice of the consumers. Therefore, there is nothing wrong to say that “the task of marketing starts with the consumer and ends with the consumer”.

So, we can say that marketing professionals are more directly concerned with the consumer's right to be informed and right to be heard. In fact, if all the consumers were informed and were heard, this would then represent a step towards fulfillment of marketing concept.
The basic promise is that the Consumerism is primarily the result of lack of information, on the part of consumers, which hinders their ability to buy certain products. However, communication between the firm and the consumer emphasize imagery at the expense of information. Consumerism is attempting to tell industry, something their research has not found or that management has rejected or ignored. Increased product information for the consumers has been widely prescribed as a remedy for consumerism. This prescription is too general to be of much use and specific aspects if it needs examination by marketing educators and corporate marketing Managers. There is for example the issue of just what rights consumers have to product information. Just how much is the manufacturer or retailer obliged to tell where do a firm's responsibility end;

- With the provision of full technical information on the product in the form which will facilitate comparisons with other brands.
- With full evaluation of its suitability and safety for various likely used.
- With comprehensive comparisons of its composition and performance to recognise governmental or industrial standards.
- With comparison of its performance and composition to other similar products.

Marketing also has a role to play in helping the consumers Voice to be heard within the firm unto now, Consumer research within marketing has focused, in large part on finding unsatisfied consumer needs, their implications for product development and the decision process surrounding its price, promotion and distribution. Pre- occupation with these specific problems may have caused other important problem areas such as following to be neglected.

- What problems have customers experienced in using a product?
- How do they think these problems could be rectified?
- Are consumers’ expectations about product performance unrealistic?
**3.4 Consumerism - at International Level:**

During the early stages of trade, when the world was younger, the chances for unfair trade were almost impossible in the lifestyle. One could not comfortably cheat someone in the market place in the morning and break bread with him the same evening.

The industrial revolution and a shift in population from rural areas to towns and the anonymity of urban living gave plenty of scope for malpractice. Consumption came to mean more than just eating and drinking and wearing clothes. It extended to cover the whole business of life and living.

The consumer movement occurred on three occasions in the United States. Formal consumerism started in 1930's as a result of depression with falling money. In 1960's however, consumerism became a vital social movement. It began to encompass the evolving set of activities of Government, business, independent organisations and concerned citizens, designed to protect the rights of the consumers in the market place. In this century, three consumer movements have shaken the U.S. business scene in the early 1900's, the mid 1930’s and the mid 1960's. The first two were not that much successful. It is interesting that the first consumer movement was fueled by such factors at rising prices, and it paved a way for introduction pure food and Drug Act (1906) and the creation of Federal Trade Commission (1914).

The second wave of consumerism in mid 1930s was fanned by such factors as upturn in consumer prices. This paved the way of strengthening the pure Food and Drug Act and enlarging at the Federal Trade Commission's power to regulate against unfair or deceptive acts and practices. The third movement is very successful and brought lot of changes in the business Society.

Taking the UK, the famous organization named as WHICH is providing detailed information about the quality specifications of various consumer goods that
is marketed in England. WHICH is also been engaged in carrying out tests for product rating.

The Scandinavian Countries are noted for their efforts to protect the consumers. Consumer protection is treated as part of their Cooperative movement in Sweden formulated three important measures to protect the interest of the consumers. They are

2. The consumer ombudsman (KO)
3. The market court.

The “KO” has come to stay as a popular organisation in Swedish Social life. Aggrieved consumers turn to this organization for help whenever they apprehend unfitting marketing practices.

The “Market Court” concerns itself with the merchandising of goods and services. The court is empowered to impose fines and forbid the erring firms from resorting to such practices as would affect the interests of the consumers in terms of Packaging. In 1972, the “Food products Law” was launched which was concerned with the handling and packaging of foodstuffs both domestic and imported and was looked into by National Food Administration.

The Ministry of consumer and family affairs in Sweden passed bills and regulations to protect the interests of the consumer. The institute for informative labeling and National Institute for Consumer Information provide for requisite information to Swedish consumers.

In Denmark, an aggrieved customer can lodge a complaint with the housewives consumer stating that he has been palmed off with the defective product by a certain company. The unsatisfied purchaser will get either replacement or free repair or money back ultimately. As earlier as 1948, the Danish Government Home Economics Council was created to promote healthy, hygiene, standard nutrition and worthwhile household goods.
In Belgium, consumer council was set up in 1964, in order to look into the problems of the consumers. UFIDEC is another voluntary organisation devoting its attention to testing and magazine publishing.

In France, at National commission on consumer problems was established under the auspices of the ministry of finance and Economics Affairs comprising representatives at consumer organization, manufacturers, distributors, education and Government. Also a private organisation named UFDC partly financed by government subsidy was formed. In South-East Asia there have been a number of well established consumer protection organisations in 13 Asian and pacific countries.

Much of the initiative of the consumer protection in the third world emerges from trade unions, co-operative organizations and women’s movements. Legislations in favor of consumers have been introduced in most of these countries. One of the interests of the movement is to see to pass legislation and urge the government to enforce it.

The local consumer council in Hong Kong is also to persuade the authorities to introduce a small claims Tribunal-a first of its kind in Asia to redress the complaints of the consumers against the producers without naming expenses of the court.

The women’s association has been formed in South Korea, which is the motive force behind the consumer movement. Their theme is "The consumer movement is a human rights movement".

The consumer movement is the Philippines celebration, at the end of October every year "Consumer protection week" and is provided with product tests and the results are published periodically in a regular magazine.

In Malaysia advertisements had serious effects not only in good manner but also it is in the manner of misleading. The main set of regulations controlling
advertising ethics is the "Malaysian Code of Advertising Practice". This code is not a piece at legislation introduced by the government but a purely voluntary set of guidelines drawn up and administered by a private sector organisation, the Advertising Standards Authority.

In Bangladesh, they adopted some legislative measures from time to time to protect consumers from malpractice of dishonest trades and manufacturers. The important legislation’s include Trade Marks act 1940, Patents and Designs Act 1911, Pure food ordinance 1959, Standards of weights and measures Act 1982 etc.

3.5. Consumerism - At Indian Level.

The seventies and the Eighties witnessed the emergence of a phenomenon called consumerism in most parts of the world. In the beginning, the term consumerism was not applied to designate the tendereies in consumption. It was viewed as a movement to protect the interest of the consumers who became aware of their rights as consumers. The conventional meaning of consumption lost all its nuances with the advert of new merchandise in the market. Gradually, consumption ceased to be the apt term to imply the pattern in human consumption as new items entered the list every day.

Things are considered exclusive for the consumption of some sections of the population started arriving in the market, wrong consumers of different categories. Technology found new expression in these products, creating needs and transforming them into essentials. Producers attributed features other than functional utility to the marketed goods to boost sales. The element of status attached to products to enhance their social standing.

Towns and cities emerge and modern amenities and facilities work as a potent in attracting people to join the urban fold. Markets flourish, acting as a link between producers and consumers. As markets are flooded with merchandise, each visit helps
the consumer to realize the hidden needs and choices available for his/her fulfillment. Consumers are presented with multiple choices and the needs continue to multiply at a pace dictated by the environment. Advanced marketing techniques such as super bazaars, self-service shops and misleading advertising propaganda boost sales as well as enlarge clientele.

Production is always accompanied by advertising, which cannot be easily neglected by an ordinary consumer unless she stubbornly retains her/his consumption habits. More often than not, purchasing decisions are influenced by advertising, which directed at modifying consumption in favor of new products. Credit purchasing facility makes even expensive things affordable and easily accessible, though this is not beneficial to the consumers.

A change in the social surroundings, on account of factors such as industrial growth, urbanization and modernization, accelerates the shift from consumption to consumerism, for the consumers in a developing nation, new goods and products are appealing as they can bring about tangible changes in their life situations. Purchase of commodities not actually meant for satisfaction of basic needs is not merely to create a qualitatively higher standard of living.

Consumption of this sort turns to be inevitable when it is acceptable in Society. Gradually consumption becomes the accepted norm of social recognition and the lack or inability to consume in a similar fashion would amount to loss of status and prestige. Consumption thus ceases to be exclusively for the sake of consumption or for the functional properties of commodities, but also for the audience (fellow beings in the neighborhood) to watch and approve the ability of the consumer to consume. Consumption of this kind will not be sustained if it gives only pleasure, convenience or satisfaction to the consumer in a society, which ceases to be traditional in the changing atmosphere.
Consumerism takes root in a developing society like India's rather swiftly. In the present era of information explosion Societies do not remain isolated from the fast-changing happenings in the developing world. Product information travels fast. Manufacturers ensure that information on any new product reaches people even across the borders. The setting up of subsidiary and ancillary units by MNCs in developing countries, where labor is cheap and resources are not adequately exploited, is designed to change consumption in favor of consumption. There are instances where consumers have allocated a longer share of their disposable income to the consumption of consumer durable than what they had spent on the commodities essential for their nutritional requirements. The cases of Brazil and West Indies amply prove this.

As far consumption in developing Societies the pressure created by the presence and proliferation of goods and services is irresistible for an ordinary consumer who normally finds it hard to desist from accepting a new product of consumption. More so if the products seem to enhance the existing social status and grant him/her recognition in Society. Products are made attractive to shake the strong habits and preferences of consumers.

In order to protect the interests of the consumers and for the purpose to make provision for the establishment of consumer councils and other authorities for the settlement of consumers disputes and for matters connected therewith. It seeks, inter-alliance to promote and protect the rights of consumers such as -

1. The right to be protected against marketing of goods which are hazardous to life and property.
2. The right to be informed about the quality, quantity, potency, purity and price of goods to protect the consumer against unfair trade practices;
3. The right to be assumed, wherever possible, access to an authority of goods at competitive prices;
4. The right to be heard and to be assured that the consumers’ interest will receive due consideration at appropriate forums;

5. The right to seek redress against unfair trade practices or unscrupulous exploitation of consumers and

6. Right to consumer education

This Act is called Consumer Protection Act, 1986 and

i.) It extends to the whole of India except the State of Jammu and Kashmir.

ii.) It shall come into force on such date as the Central Government may, by notification appoint and different dates may be appointed for different states and for different provisions of this Act.

iii.) Save as otherwise expressly provided by the central Government by notification, this Act shall apply to all goods and services.

Definitions: - In this Act, unless the context otherwise requires-

a.) “Complainant” means-
   i.) A consumer; or
   ii.) Any voluntary consumer association registered under the Companies Act, 1956 or under any other law for the time being in force or
   iii.) The Central Government or any State Government, who or which makes a Complaint;

b.) Complaint " means any allegation in writing made by a complainant that –
   i.) As a result of any unfair trade practice adopted by any trader, the complainant has suffered loss or damage.
   ii.) The goods mentioned in the complaint suffered from one or more defects,
   iii.) The services mentioned in the complaint suffer from deficiency in any respect
   iv.) A trader has charged for the goods mentioned in the complaint a price in excess of the price fixed by or under any
law for the time being in force or displayed on the goods or any package containing such goods, with a view to obtaining any relief provided by or under this act;

c.) "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 or 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 any services for a consideration which has been paid or promised or partly paid and partly promised or under any system or deferred payment and includes any beneficiary of such services other than the person who hires 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;

d.) "Consumer dispute" means a dispute where the person against whom a complaint has been made denied or disputes the allegations contained in the complaint;

e.) "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 as is claimed by the trader in any manner whatsoever in relation to any goods;
f.) "Deficiency" means any fault, imperfection, shortcoming 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;

g.) "Manufacturer" means a person who-
   i.) Makes or manufactures any goods or parts thereof or
   ii.) Doesn't or manufacture any goods but assembles parts there of made or manufactured by others and claims the end-product to be goods manufactured by himself; or
   iii.) Puts or causes to be put his own mark on any goods manufactured by any other manufacturer and claims such goods to be goods made or manufactured by himself;

h.) "Person" includes
   i.) A firm whether registered or not;
   ii.) A Hindu undivided family;
   iii.) a cooperative Society
   iv.) Every other association of persons whether registered under the Societies Registration Act, 1890 (21 of 1860) or not;

i.) "Trader" in relation to any goods means a person who sells or distributes any goods for sale and includes the manufacturer thereof; and where such goods are sold or distributed in package form, includes the packer thereof;

j.) The expression "unfair trade practice" shall have the same meaning as in sec 36-A of the Monopolies and Restriction Trade Practices Act 1969 (54 of 1969) but shall not include an unfair trade practice adopted by the owner of an undertaking to which part A of Chapter III of that Act applies or by any person acting on behalf of or for the benefit of such owner.
As far as Consumer Protection Council is concerned, it has following basic ideals for it.

1. **The Central Consumer Protection Council:**

   The Central Government, by notification, establish with effect from such date as it may specify in such notification a council to be known as the Central Consumer Protection council (i.e. central Council)

   The central council shall consist of the following members, namely

   a.) The minister in-charge of the department of Food and Civil Supplies in the Central Government, who shall be its Chairman, and
   b.) Such number of other official or non-official members representing such interest as may be prescribed.

2. **Procedure for Meetings of the Central Council:**

   The central Council shall not as and when necessary, but not less than three meetings of the council shall be held every year.

   The Central Council shall not at such time and place as the Chairman may think fit and shall observe such procedure in regard to the transaction of its business as may be prescribed.

3. **The State Consumer Protection Councils:**

   The State Government may, by notification, establish with effect from such date as it may specify in such notification, a council to be known as the Consumer Protection ... (herein after referred to as the State Council). The State Council shall
consist of such number of members as may be specified by the State Government by notification from time to time.

The next step is looking into the consumer Disputes Redressal Agencies and which consists of the following ideals.

1. Establishment of Consumer Disputes Redressal Agencies:

There shall be established for the purposes of this act, the following agencies namely

 a.) A consumer Disputes Redressal Forum to be known as the "District Forum" established by the state Government with the prior approval central Government in each district of the State by notification;

 b.) A consumer Disputes Redressal Commission to be known as the "State Commission" established by the State Government with the prior approval of the Central Government in the State by notification; and

 c.) A National consumer Disputes Redressal Commission established by the Central Government by notification

2. Composition of the District Forum: -

Each district forum shall consists of -

 a.) a person who is or has been or is qualified to be a District Judge to be nominated by the State Government, to be its President;

 b.) a person of eminence in the field of education, trade or commerce;

 c.) a lady social worker.
Every member of the District Forum shall hold Office for a term of Five years or up to the age of 65 years whichever is earlier, and shall not be eligible for reappointment.

Provided that a member may resign his office in writing under his hand addressed to the State Government and on such resignation being accepted, his office shall became vacant and may be filled by the appointment of a person possessing any of the qualifications mentioned above.

The salary or honorarium and other allowances payable to, and the other terms and conditions of service of the numbers of the District Forum shall be such as may be prescribed by the State Government.

a.) gain, as the case may be, acquiesce in such institution; or

b.) The cause of action, wholly or in part, arises.

3. **Manner in which Complaint shall be made:** -

A Complaint in relation to any goods sold or delivered or any service provided, may be filed with a District Forum by-

a.) The consumer to whom such goods are sold or delivered or such service provided;

b.) Any recognized consumer association, whether the consumer to whom the goods sold or delivered or service provided is a member of such association or not; or

c.) Central or State Government.

(i) Subject to the foregoing provisions, the procedure relating to the conduct of the members of the District Forum, its sitting and other matters shall be such as may be prescribed by the State Government.
4. **Appeal to State Commission:**

Any person aggrieved by an order made by the District Forum may prefer an appeal against such order to the State Commission within a period of thirty days from the date of the order, in such form and manner as may be prescribed: Provided that the State Commission may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period.

5. **Jurisdiction of the National Commission:**

Subject to the other provisions of this Act, the National Commission shall have jurisdiction:

a.) To entertain:
   i.) Complaints where the value of the goods or services and compensation, if any claimed exceeds rupees ten lakhs; and
   ii.) Appeals against the orders of any State commission; and

b.) To call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any State Commission where it appears to the National Commission that such state Commission has exercised a jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested, or has acted in the exercise of its jurisdiction illegally or with material irregularity.

6. **Procedure applicable to the National Commission:**

The National Commission shall in the disposal of any complaints or of any proceedings before it, have the powers of a civil Court as specified in the sub-section (4 and 5) of sec 13 and follow such procedure as may be prescribed by the Central Government.
7. **Appeal to Supreme Court:**

Any person aggrieved by an order made by the National Commission in exercise of its powers conferred by sub clause (i) of cl (a) of sec 21 may prefer an appeal against such order to the Supreme Court with in a period of thirty days from the date of the order. Provided that the Supreme Court may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period.

8. **Finality of order:**

Every order of a District Forum, the state Commission or the National Commission shall, if no appeal has been preferred against such order under the provisions of this Act, is final.

9. **Dismissal of Frivolous or Vexatious Complaints:**

Where a complaint instituted is found to be frivolous or vexatious, the District Forum, the State Commission or, as the case may be, the National Commission, may dismiss the Complaint

10. **Penalties:**

Where or a person against whom a complaint is made fails or omits to comply with any order made by the District Forum, the State Commission or, as the case may be, such trader or person shall be punishable with imprisonment for a term which shall not be less than two thousand rupees, but which may extend to ten thousand rupees or with both. Provided that the District Forum, the State Commission or the National Commission, as the case may be, may if it is satisfied that the circumstances of the case so require, impose a sentence or imprisonment or fine or
both, for a term lesser than the minimum term and the amount lesser than the minimum amount, specified in this section.

**Important Legislation’s to protect Consumer Interests:**

From time to time Indian Government has framed various legislations to protect the interests of consumers. Those legislations include:

The MRTP Act, Industries Development and Regulation Act, Essential Commodities Act, Prevention of Food Adulteration Act, Prevention of Black marketing and maintenance of supplies of Essential Commodities Act, Trade Marks and Merchandise Marks Act, Indian sale of Goods Act, Standard Weights and Measures Act, Imports and Exports control Act, Agricultural Products Grading and Marketing Act, etc.

**MRTP Act:**

The MRTP Act has its genesis in the Directive Principles of State Policy embodied in the constitution of India. Article 39 (b) and (c) Thereof lays down that the state shall direct its policy towards ensuring:

1.) That the ownership and control of material resources of the community are so distributed as best to sub serve the common good and
2.) That the operation of the economic system doesn’t result in the concentration of wealth and means of production to the common detriment. The Jurisdiction of the MRTP Act, which came into force on 1st June 1970 is wide and extends to the whole of India except the State of Jammu & Kashmir.

The MRTP Act primarily deals with the aspects:

1.) Prevention of the concentration of economic power to the common detriment and control of monopolies and
2.) Prohibition of monopolistic, restrictive and unfair trade practices.

The objective of preventing concentration of economic power to the common
detriment is sought to be achieved by the central Government through examination
and regulation of proposals of substantial expansion establishment large industrial
houses is regulated by close examination of their proposals for substantial expansion
and setting up of new undertakings under the Act.

**Essential Commodities Act, 1955:**

In 1939 the Government of India made certain rules to control the production,
supply and distribution of certain commodities under the Defense of India Act
1939, which ceased to have force on 30th September, 1946. It was however,
considered necessary that control in respect of certain commodities essential for
human beings should continue in the interest of the general public. Therefore, the
Essential Supplies (Temporary Power) Ordinance of 1946 was promulgated by which
was replaced by the present Act, 1955. This Act enables the Government, whenever
there is need or it is the expedient, to exercise powers under the Act, but the Act by
itself is not an emergency provision.

It only arms the Government with powers to meet certain emergencies,
difficulties on the economic, trade and commerce fronts difficulties in the distribution
of essential commodities including food grains. It is a central Act passed by
parliament in the interest of the general public for control of the production, supply
and distribution of, and the trade and commerce in specified commodities.

The object of the Act deals with:

1. Control of production, supply and imposition of duties on state
   Government.
2. Conferment of power and imposition of duties on State government.
3. Central Government’s power to delegate its power to the State Governments or its Officers.

4. Removal of difficulties arising by reason of inconsistency or any order made by any act.

5. Securing obedience to the provisions of, orders made and directions issued under the Act by making the contravention and attempt to contravene such provisions, orders and directions, punishable as offense.

Prevention of Food Adulteration Act, 1954:

Prevention of Food Adulteration Act 1954 which came into operation on 1st June, 1955 was designed to replace the various legislations enacted by the individual States in this regard.

Under the Acts of Individual states, different territories were subject to different laws on the same subject and as such the law was not uniform. Persons committing the same offense were liable to different punishments, which were hardly justified. With a view to do away with that diversity, and also to remove other loopholes, the central legislation came to be implemented in the form of the present Act.

Regarding the objects of Food Adulteration Act, 1954, it provides for

1. A central food laboratory to which food samples can be referred for final opinion in disputed cases.

2. A central committee for food standards consisting of representatives of central and State Governments to advice on matters arising from the administration of the Act.

3. The vesting in central Government of rule-making power regarding standards of quality for articles of food and certain other matters.
Prevention of Black Marketing and Maintenance of supplies of Essential Commodities Act, 1980:

The Act became operative with retrospective effect from 5th October 1979. The main object of this Act is to provide for detention in certain cases for the purposes of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters connected therewith.

Under the Act, the Central Government, State Government and specified officials of the Government have been empowered to order detention of a person who is found to be acting in any manner prejudicial to the maintenance of supplies of commodities essential to the community.

Trade marks and Merchandise Marks Act, 1958:

A “Trade Mark” functions as an assurance to the customer that all goods bearing that "trade mark" will always be of the same high quality that the customer has come to expect of goods bearing that trade mark. The objects of the Act are:

1. To provide for more effective protection of trade marks;
2. To provide for better facilities for registration in the distant parts of the Country.
3. To enlarge the field of resistibility;
4. To combine the patent office and the Trade Mark Registry to secure better coordination of the administration of the different laws relating to industrial propriety;
5. To remove the uncertainties as to jurisdiction of High courts.
6. To strengthen the law relating to trade marks of drugs and articles of food;
7. To consolidate the law relating to trade and merchandise marks in India; and
8. To prevent the use of fraudulent marks in merchandise.
Sale of Goods Act 1930:

In 1930, the Indian Contract Act 1872 was replaced by a separate Act Known as the Indian Sale of Goods Act 1930. The important points to be noted in the Act are:

1. Condition as to title or ownership:

   There is an implied condition on the part of the seller that in the case of a sale, he has a right to sell the goods and that in the case of an agreement to sell, he will have a right to sell the goods at the time when the property is to pass. As a consequence of this, if the title turns out to be defective, the buyer is entitled to reject the goods and claim the price plus damages.

2. Sale by Description:

   Where goods have been sold by description there is an implied condition that goods must correspond to descriptive. In case sale is by sample as well as by description, the goods must not only correspond with the sample but also with description.

3. Condition as to quality or fitness:

   This condition offers to the rule of "Caveat emptor" - let the buyer beware. This condition becomes operative where the buyer makes his purpose known to the seller and depends on seller's choice, which happens to be regularly trading in that commodity.

4. Condition as to Merchantability:

   This condition protects a buyer against any latent or hidden defects in the goods.
5. Goods to correspond to sample:

Where the sale is described as sale by sample, this condition requires the bulk to be in accordance with the sample.

6. Warranties:

A buyer is entitled to claim damages in case the right of quiet possession of a buyer is distributed or the goods purchased torn out to have been charged against.

The Standard of Weights and Measures Act, 1956:

According to this Act the standards given, however, were not efficiently enforced throughout the country with the result that different systems of weights and measures prevailed in different parts of the country. Moreover, the same term often represented in different units’ weight different areas in different trades even within the same area. This state of chaos was thought to be hampering trade and provided opportunity for the exploitation of the masses. There was, therefore, felt the need for enforcing a uniform system of weights and measures throughout the Country. Under the Act, meter has been laid down as the Primary of length and Kilogram as the Primary unit of mass. The present Act lays down standards not only for mass and length, but also for time, temperature, electric current and luminous intensity.

Agricultural Products Grading and Marketing Act, 1937:

Agricultural products and marketing Act 1937 was enacted to provide for-

a.) Grading and standardization of agricultural commodities
b.) Regulation of markets and market practices.
c.) Market research and surveys and
d.) Training of personnel in agricultural marketing.
Indian Standards Institution Act, 1952:

The basic idea of the legislation has to ensure good and standardized quality of the products. Defaulters attract penalty. The product which gets the certificate mark of ISI ensures good safety for the users.

Besides this many other acts such as Drugs and Cosmetics Act 1940, Narcotic drugs and Psychotropic substances Act 1985, Hire purchases Act, 1972, Cigarettes (Regulation of Production, Supply & Distribution) Act 1975 ensure safety for the consumers in their day to day living.

Consumer protection Regulations-2005

Definitions:

a) “Act” means the Consumer Protection Act, 1986 (68 of 1986);

b) “Consumer Forum” means a District Forum. A Consumer Disputes Redressal Commission established in a State under clause (b) of section 9 (hereafter called the State Commission) or the National Consumer Disputes Redressal Commission;

c) "Registrar" means the head of the ministerial establishment of the Consumer Forum and exercising such powers and functions as are conferred upon him by the President of the Consumer Forum

d) “rules” means the rules made under the Act;

e) "section" means a section of the Act:

f) Words and expressions used in these regulations and not defined herein but defined either in the Act or in the rules shall have the same meaning respectively assigned to them either in the Act or in the rules, as the case may be.
Arrangements in Consumer Forum:

1) A Consumer Forum, being not a regular court, shall have the arrangements as to depict it distinct from a court.

2) In the hall in which the Consumer Forum shall hear the parties, the dais may not be kept more than 30c.m. in height than the place earmarked for the parties to occupy.

3) At the dais of the hall, the President and the members of the Consumer Forum shall use the same type of chairs at the same level and these chairs need not have high backs.

Cuse List:

1. Cause list of the Consumer forum for the following entire week shall be made ready before the close of the working hours of the preceding week and displayed on the notice board. The cause list in respect of a Consumer Forum having a website shall also be hosted on the website.

2. Cause list shall be split into three different parts, namely:-
   i.) Admission and after notice matters;
   ii.) Matters where evidence is to be recorded;
   iii.) Final disposal matters.

3. Every cause list shall contain the following particulars, namely:-

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>No. of the matter</th>
<th>Names of the parties</th>
<th>Name of the party or Counsel or agent appearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

4. If a date of hearing is given in the presence of parties or their agents, it shall not be a ground for non-appearance for the reason that the cause list for the
concerned date does not show the matter or contains incorrect entry or there is omission of the particulars of the matter.

**Issue of notice**

1) Whenever the Consumer Forum directs the issuance of a notice in respect of a complaint, appeal or revision petition, as the case may be, to the opposite party(ies)/respondent(s), ordinarily such notice shall be issued for a period of 30 days and depending upon the circumstances of each case even for less than 30 days.

2) When there is a question of raising presumption of service, 30 days notice shall be required.

3) Whenever notices are sought to be effected by a courier service, it shall be ascertained that the courier is of repute.

4) While appointing the courier for the purpose of effecting service, security deposit may also be taken.

5) Along with the notice, copies of the complaint, memorandum of grounds of appeal, petitions as the case may be and other documents filed shall be served upon the opposite party(ies )/respondent( s).

6) After the opposite party or respondent has put in appearance, no application or document shall be received by the Registrar unless it bears an endorsement that a copy thereof has been served upon the other side.

**Hearing by Benches**

Where a Bench, constituted by the President of the State Commission or the National Commission as provided under section 16 or section 20, as the case may be, does not have a member with judicial background and any complex question of law arises and there is no precedent to decide the law point, the Bench so constituted may refer the matter to the President of the State Commission or the National Commission
as the case may be to constitute another Bench of which the President shall be a member.

Arguments

1) Arguments should be as brief as possible and to the point at issue.
2) Where a party is represented by a counsel, it shall be mandatory to file a brief of written arguments two days before the matter is fixed for arguments.
3) In case of default to file briefs, the cost shall be imposed at the same rates as laid down for grant of adjournments.

Appearance of Voluntary Consumer Organisations

1) Recognised Consumer Organisations have a right of audience before the Consumer Forum
2) An authorisation of a Voluntary Consumer Organisation may be by way of special power of attorney executed on a non-judicial paper or even on plain paper duly attested by a Gazetted Officer or a Notary Public.
3) The Power of Attorney holder shall be entitled to engage a counsel, if authorised to do so.
4) A Voluntary Consumer Organisation can engage a counsel or an advocate of its choice or it can itself represent through one of its office bearers as per the rules governing it.

5) A Consumer Forum has to guard itself from touts and busybodies in the garb of power of attorney holders or authorised agents in the proceedings before it.
6) While a Consumer Forum may permit an authorised agent to appear before it, but authorised agent shall not be one who has used this as a profession: Provided that this sub-regulation shall not apply in case of advocates.
Final order

1) An order on the top right hand corner shall show as to when the complaint was filed and the date of the order.

2) The cause title of the order shall contain the names of all the parties with their addresses.

3) In the body of the order it is desirable that after mentioning the complainant or the opposite party, their names as shown in the title be mentioned and parties thereafter may not be mentioned as complainant or opposite party No.1 or opposite party No.2, etc.

4) The cause title shall also clearly show if the appellant or respondent was the complainant or opposite party.

5) The order of a Consumer Forum disposing of a matter shall be as short and precise as practicable and unnecessary long quotations from the judgments of the higher courts or otherwise shall be avoided.

6) When a copy of the order is sent to a party, the mode by which it is sent and the date on which it is sent shall be stamped on the last page of the order.

7) The Consumer Forum shall pass final order invariably within fifteen days of the conclusion of the arguments.

Return on institution and disposal of cases

1) A Consumer Forum is expected to dispose of at least 75 to 100 matters every month.

2) A periodic monthly return of institution and disposal of cases shall be sent by the District Forums to the State Commission.

3) The State Commission shall submit a periodic monthly return of institution and disposal of cases to the National Commission.

4) Notwithstanding anything contained in this regulation, the President of the National Commission may, at any time, call for any return or information relating to its functioning from a State Commission or District Forums.
Preservation of records

(1) In the case of complaint, the record containing main files with original order sheet shall be preserved for a period five years.

(2) In the case of records of first appeal and revision petitions, it shall be preserved for three years from the date of disposal of the appeal or revision as the case may be.

(3) Immediately after the consumer complaint, first appeal or revision petition, as the case may be, is disposed of, extra sets shall be given to the parties who may use the same for filing of appeal or revision petition and in that case the necessity to summon the record from the forums below can be dispensed with.

(4) The Registrar shall inform the parties while forwarding the certified copy of the final order, where they do not appear in person at the time of finally disposing of the matter to arrange to collect the extra sets.

(5) A period of at least one month shall be given for the purpose of collection of records by the party and in case of default the extra sets shall be weeded out.

Practice Directions.

The National Commission shall be entitled to issue practice directions from time to time as may be necessary for the proper conduct of the cases before Consumer Forum including prescribing forms for complaints, notices, returns, certificate to be issued to the collector and the like.