

LAWBY 26
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LAWBY WRITES

DECODING THE ACT SERIES



THE CONSUMER PROTECTION ACT, 2019
Volume II: Safeguarding Consumers in E-Commerce,
Direct Selling & Dark Patterns



WHY SHOULD WE STUDY THE ACT?

In the previous volume, we explored the foundational aspects of consumer rights, unfair trade practices, and mechanisms for complaint and dispute resolution under the Consumer Protection Act, 2019. This volume takes the discussion forward by focusing on three important areas shaping today's marketplace-**direct selling, e-commerce, and the rising concern of dark patterns.**

Direct selling has become a major channel of distribution in India, providing opportunities for entrepreneurship while expanding consumer choice. According to the Annual Survey Report 2021-22 of the **Indian Direct Selling Association (IDSA)**, **the sector was valued at nearly Rs. 19,000 crore in 2021-22**, with over **84 lakh individuals engaged as direct sellers**. To build trust and transparency, the Consumer Protection (Direct Selling) Rules, 2021 mandate that entities and sellers be registered, maintain proper grievance mechanisms, and stay away from pyramid or money circulation schemes. These safeguards strengthen the credibility of direct selling and protect consumers from exploitation.

The rapid growth of e-commerce has reshaped consumer habits but also raised concerns such as **misleading ads, hidden charges, fake reviews, and weak seller accountability**. Morgan Stanley, in its report India's Digital Leap: The Multi Trillion Dollar Opportunity (Sept. 26, 2017), noted that **India could be among the world's best-performing markets with a potential 24% CAGR in U.S.-dollar returns over five years**. More recently, in August 2025, it projected India to become the world's top consumer market, driven by energy transition, greater financial access, and expanding manufacturing. To safeguard fairness, the **Consumer Protection (E-Commerce) Rules, 2020 impose duties on platforms to disclose seller details, set up grievance redressal, and curb unfair practices, ensuring stronger accountability in digital trade.**

Meanwhile, the growth of online transactions has given rise to manipulative design practices known as dark patterns, where consumers are tricked into choices they might not otherwise make-such as **auto-subscriptions, concealed fees, or complex cancellation processes**. Since 2023, the government has identified 13 types of dark patterns, issued six guidelines and advisories, launched consumer tools like the Jagriti App, directed e-commerce platforms to conduct self-audits, and enforced penalties of **Rs. 1.08 crore, refunds of Rs. 1,454 crore, and the delisting of over 13,000 unsafe products.**

The Consumer Protection Act, 2019, continues to evolve in response to these emerging realities. From regulating **direct selling and improving accountability in e-commerce** to curbing manipulative online designs, the law reflects a commitment to consumer welfare in a rapidly changing economy. Do read further to understand the legal provisions behind these in detail.





E-COMMERCE - CONSUMER PROTECTION (E-COMMERCE) RULES, 2020

The Consumer Protection (E-Commerce) Rules, 2020, notified under Section 94 of the Consumer Protection Act, 2019, provide **digital consumers with a level of protection** that goes beyond **vague descriptions and unresponsive platforms**.

Scope and Applicability of E-Commerce Rules, 2020 (Rule 2)

Universal Application Across E-Commerce Models:

These rules apply to:

- All goods and services including digital products sold or bought online.
- All types of e-commerce models both marketplace (like Amazon, Flipkart) and inventory-based (like brand-owned sites).
- All retail formats whether it's single-brand or multi-channel, in any format (app, website, etc.).
- All unfair trade practices arising in the e-commerce ecosystem.

Personal Use Exclusion:

These rules **do not apply** to activities by individuals acting in a personal capacity, as long as the activity is not regular or commercial in nature

Rules for Foreign Entities (Rule 2(2)):

Even if an e-commerce entity is not based in India, these rules apply if the company systematically targets Indian consumers, offers goods/services in India, or processes payments from India.

Duties of E-Commerce Entities (Rule 4)

1. **Legal Status:** Must be a company under the **Companies Act (1956 or 2013)** or a foreign company operating in India as per **FEMA guidelines**.
2. **Compliance Officer:** Must appoint a resident nodal person or senior functionary responsible for compliance with the Consumer Protection Act and rules.
3. **Mandatory Disclosures:**
 - a. Legal name and full contact details (email, phone, address).
 - b. Website details and the grievance officer's contact information.
 - c. Principal office address and branch locations.
4. **Prohibited Practices:** No unfair trade practices allowed in any form on the platform.
5. **Grievance Redressal:**
 - a. Must appoint a grievance officer.
 - b. Complaints must be acknowledged within **48 hours** and resolved within 30 days.
 - c. Officer's name and contact must be displayed clearly.
6. **Imported Goods:** Must **disclose the name** and details of the importer if imported products are sold.
7. **National Helpline Integration:** Entities should aim to partner with the National Consumer Helpline for consumer protection efforts.
8. **Cancellation Charges:** Cannot charge cancellation fees unless the same applies to the platform if it cancels an order.

9. **Explicit Consent:** Consumer consent must be obtained through clear, affirmative actions no pre-ticked boxes allowed

10. **Refunds:** Refunds must be processed as per RBI guidelines or other legal mandates in a timely manner.

11. Fair Pricing & Equality:

- No price manipulation to make unjustified profits, especially during crises or on essential goods.
- No arbitrary discrimination between consumers of the same class.

Liabilities of Marketplace E-Commerce Entities (Rule 5)

Marketplace e-commerce platforms (like Amazon, Flipkart, etc.) that wish to avail safe harbor protections under Section 79(1) of the IT Act, 2000 must comply with the obligations in Section 79(2) and (3), and the IT (Intermediary Guidelines) Rules, 2011.

Accurate Seller Information & Content Responsibility

Platforms must ensure sellers provide an undertaking that all listings descriptions, images, and details truly reflect the product's nature, quality, and purpose.

Mandatory Disclosures on Platform

They must prominently display the following to users:

- Seller's name, business status (registered/unregistered), address, customer care number, and buyer ratings.
- Clear pre-purchase data on:
 - Return, refund, exchange, warranty, and delivery policies.
 - Available payment modes, security, transaction charges, and charge-back options.
 - Complaint ticketing system for tracking consumer grievances.

On consumer request post-purchase, the platform must share detailed seller info like:

- Head Quarters and branch addresses
- Website details
- Email/contact information for dispute resolution.

Payment Transparency

- Charges/fees
- Cancellation policies for recurring payments
- Payment service provider contact details

Ranking Criteria Disclosure

Platforms must explain, in plain language, the main parameters that determine how sellers/products are ranked and the relative weightage of each factor.



No Arbitrary Treatment of Sellers

The terms & conditions with sellers must disclose any preferential treatment given to certain sellers or listings, promoting fairness across categories.

Monitoring Repeat Offenders

Platforms must maintain a database of sellers who repeatedly post goods removed under:

- The Copyright Act, 1957
- The Trade Marks Act, 1999
- The IT Act, 2000

Duties of Sellers on Marketplace Platforms(Rule 6)

Sellers offering goods or services through marketplace e-commerce platforms must strictly adhere to the following duties:

1. No Unfair Trade Practices

Sellers must not engage in unfair trade practices on or off the platform.

2. Authenticity in Representation

- Cannot pose as consumers to post fake reviews.
- Must not misrepresent the quality, features, or nature of goods/services.

3. Returns, Refunds & Timely Delivery

Sellers must:

- Accept returns or withdraw services if products are **defective, deficient, spurious, or not as advertised**.
- **Refund payments** if product/service fails to meet agreed terms or is delivered late (unless due to force majeure).

4. Operational & Contractual Obligations

Sellers must:

- Have a **written agreement** with the e-commerce platform.
- Appoint a **Grievance Officer** to:
 - Acknowledge complaints within **48 hours**.
 - Resolve issues within **1 month**.
- Ensure **ads reflect actual characteristics** of the goods/services.

5. Mandatory Disclosures to Platform

Sellers must provide accurate and updated information for display on the e-commerce platform, including:

- Legal name, full business address, website, email, customer care numbers.
- PAN & GSTIN (if applicable).

6. Product-Level Disclosures

Each product or service listing must include:

- **Complete price** (single figure + breakup of all charges & taxes).
- **Mandatory notices, expiry date** (if applicable).
- **Country of origin** and other essential details for informed consumer choice.
- Name/designation/contact of the **Grievance Officer**.
- **Importer details** (if product is imported) and authenticity guarantees.
- **Return, refund, and exchange policies** including **cost of return shipping**.
- **Shipping/delivery info**, and any **guarantees or warranties**





DIRECT SELLING

The **Ministry Of Consumer Affairs, Food And Public Distribution** notified the **Consumer Protection (Direct selling) Rules 2021** to regulate the growing direct selling industry. These rules are framed under the authority of **Section 94**(Measures to prevent unfair trade practices in e-commerce, direct selling, etc) read with **Section 101(2)(zg)**(the measures to be taken by the Central Government to prevent unfair trade practices in e-commerce, direct selling under section 94) of the **Consumer Protection Act, 2019**.

Application (Rule 2)

The rule applies to all goods and services bought or sold through direct selling (**Rule 2(a)**), all models of direct selling (**Rule 2(b)**), all direct selling entities offering goods and services to **consumers** in India (**Rule 2(c)**), and all forms of **unfair trade practices** across all models of direct selling (**Rule 2(d)**).

Definitions (Rule 3)

Section 2(13) of the Consumer Protection Act 2019 defines “**direct selling**” as the marketing, distribution and sale of goods or provision of services through a **network of sellers**, other than through a permanent retail location and the **Rule 3(c)** defines a “**direct seller**” as a person authorized by a direct selling entity through a legally enforceable written contract to undertake direct selling business on principal to principal basis, and **Rule 3(d)** defines a “**direct selling entity**”, as the principal entity which sells or offers to sell goods or services through direct sellers, but does not include an entity which is engaged in a **Pyramid Scheme or money circulation scheme**.

Mandatory Maintenance of Records (Rule 4)

Every direct selling entity must maintain essential records(**manually** or **electronically**) at its registered office, including incorporation certificate, Memorandum of Association and Articles of Association, PAN, Tax Deduction and Collection Account Number, GST registration, GSTR, ITR, Balance Sheet, Audit Report and such other relevant reports, Register of direct sellers, Certificate of Importer-Exporter code (in case of imported goods), License issued under the **Food Safety and Standards Authority of India Act, 2006** for the purposes of manufacture or sale of food items, License and Registration Certificate issued under the **Drugs and Cosmetics Act, 1940** for the purposes of manufacture or sale of drugs, including Ayurvedic, Siddha and Unani drugs and Homoeopathic Medicines and, Certificate of Registration of Trademark.

Obligations of direct selling entity (Rule 5)

There are certain obligations that a direct selling entity must follow, such as being legally registered under the **Companies Act 2013**, **Partnership Act 1932**, or **Limited Liability Partnership Act, 2008**, maintain at least one physical registered office in India, make a self-declaration that they comply with these rules and are not involved in pyramid or money circulation schemes, maintain an updated and informative website with all relevant business and product details, including redressal mechanisms, nodal and grievance officers, and prices, hold the rights to the trademarks or licenses of the goods/services they offer and cannot give bonuses or commissions for products they don't own or license, obtain all necessary tax and trade registrations, have their website information certified by a Company Secretary, ensure that all direct sellers have verified identities and addresses and issue ID cards only to such sellers, create safeguards ensuring the legality and safety of goods and services, entities are liable for consumer grievances arising from sales made by their sellers, provide clear refund, return, warranty, delivery, and complaint redressal information on their website, acknowledge consumer complaints within **48 hours** and resolve them within **30 days**. Any delay must be justified in writing, and appoint a Nodal Officer responsible for legal compliance under the Consumer Protection Act and other laws. Allow consumers to file complaints via email, post, phone, or the website, maintain detailed records of direct sellers and make delisted sellers' lists public on their website, and participate in the National Consumer Helpline's convergence process.

Obligations of direct seller (Rule 6)

Obligations of direct sellers include; must enter into a prior written agreement with the entity, initiation of any sale representation, **truthfully and clearly identify himself**, disclose their identity and the nature of the product or service, provide an order form to the consumer, obtain goods and service tax registration, Permanent Account Number registration, all applicable trade registrations and licenses and comply with the requirements of applicable **laws, rules and regulations** for sale of a product, ensure that actual product delivered to the buyer, all sensitive personal information provided by the consumer **[Rule 6(1)]** and a direct seller must not visit consumers without permission, provide any literature to a prospect, which has not been approved by the direct selling entity, not distribute unapproved materials, or make claims that are not consistent **(Rule 6(2))**.

Duties of direct selling entity and direct seller (Rule 7)

Both entities and sellers are subject to duties under the **chapter VI of the Consumer Protection Act (Product Liability)** provisions, which include: offers must be clearly presented. No misleading or deceptive information should be shared. Demonstrations must be truthful and complete. Price, credit terms, refund and return rights, warranty, after-sale services, and delivery information must be clearly stated. Supporting documents like testimonials must be genuine. After-sale service details must be provided and explained. Packaging must be compliant with health and safety standards. Delays in delivery must be immediately communicated. Cancellation requests during delays must be honored with full refunds, and returns must be processed at the seller's cost. Order forms must include clear terms of return, payment, and additional charges. Installment sales must include detailed cost breakdowns and comparisons with full price. All provisions under the **Legal Metrology Act 2009** must be followed **[Rule 7(i)]**. Direct seller entity and Direct seller shall not Engage in fraudulent activities or sales. No misleading conduct, mis-selling or unlawful promotions. They shall not refuse to take back spurious goods or deficient services and not charge any entry fee or subscription fee **(Rule 7(ii))**.

Person not to be engaged in direct seller business (Rule 8)

A person who has been convicted, **declared bankrupt** in the last **five** years, or is of unsound mind shall not engage in the business of direct selling.

Application of E-Commerce Rules (Rule 9)

The direct sellers as well as the **direct selling entities using e-commerce platforms** for sale shall comply with the requirements of the **Consumer Protection (e-Commerce) Rules, 2020**.

Prohibition Of Pyramid Scheme And Money Circulation Scheme (Rule 10)

Direct selling entities and sellers are strictly **prohibited from participating in or promoting pyramid schemes or money circulation schemes** in any form.

Monitoring by State Government (Rule 11)

Every State Government must establish a system for **monitoring the activities of direct selling entities** and **sellers** to ensure compliance with these rules.

Inconsistencies in laws (Rule 12)

Any regulation made under the Reserve Bank of India Act, 1934 is applicable to a direct selling entity.





THE GUIDELINES FOR PREVENTION & REGULATION OF DARK PATTERNS, 2023

The **Central Consumer Protection Authority (CCPA)** issued the Guidelines for Prevention and Regulation of Dark Patterns, 2023, under **Section 18 (Powers and functions of Central Authority)** of the **Consumer Protection Act, 2019**.

Definitions (Section 2)

Dark Patterns – Any deceptive **user interface or experience design** practice that misleads or tricks users into doing something they did not intend, impairing consumer **autonomy, decision-making, or choice**, amounting to a **misleading advertisement, unfair trade practice, or violation of consumer rights**.

Application (Sections 3)

These guidelines apply to all **platforms** offering goods and services in India (3(i)), **advertisers** (3(ii)), and **sellers** (3(iii)).

SPECIFIED DARK PATTERNS (Annexure 1)

- **False Urgency** – Falsely creating scarcity or time pressure to push users into quick action. (e.g., “Only 2 rooms left!”, “Exclusive deal ends in 1 hour”).
- **Basket Sneaking** – Adding extra products, services, or donations at checkout **without user consent**, increasing the payable amount. (e.g., *pre-ticked boxes for travel insurance or salon subscription*).
- **Confirm Shaming** – Using **fear, ridicule, or guilt** to influence users into purchases. (e.g., “I will stay unsecured” when declining insurance).
- **Forced Action** – Forcing users to buy/additional services, sign up, or share **unnecessary personal data** to access intended products. (e.g., *forced newsletter subscription, mandatory app downloads, hidden privacy settings*).
- **Subscription Trap** – Making **cancellation complex, hidden, or impossible**, or forcing auto-debits during free trials.
- **Interface Interference** – Manipulating design to **highlight certain options** and obscure others. (e.g., *tiny cancel button, misleading close icons*).
- **Bait and Switch** – Advertising one product/service but delivering another costlier or inferior alternative.
- **Drip Pricing** – Hiding elements of cost until checkout or after purchase confirmation. (e.g., *free trial converting into paid plan without disclosure*).
- **Disguised Advertisement** – Ads **masked as content, news, or reviews** to mislead users.
- **Nagging** – Repeated, persistent prompts that **annoy or disrupt** users to push transactions.
- **Trick Questions** – Confusing wording, double negatives, or vague options to mislead decisions.
- **SaaS Billing** – Silent recurring debits, lack of notification when trial converts to paid, or charging for unused features.
- **Rogue Malwares** – Using scareware/ransomware to trick users into paying for fake services, often while **installing malware**.



HOW THE COURTS HAVE INTERPRETED & ADJUDICATED?

1. Case insight: E-commerce Intermediary Liability for Unfair Contracts and "Dark Patterns" in the Sale of Used Goods as New.

Case Title: *Ashwani Chawla v. Flipkart Internet Pvt. Ltd. & Ors* [CC/113/2023]

Relevant Provisions: Section 2(1)(e) and Section 4 of the **Guidelines for Prevention and Regulation of Dark Patterns, 2023**

Legal Question: Does the practice of issuing a separate, discreet bill for an "offer handling fee" in addition to standard shipping charges constitute an unfair contract and a prohibited "dark pattern"?

Context:

The complainant, Ashwani Chawla, bought a OnePlus 11R 5G phone on Flipkart on July 17, 2023. The phone was malfunctioning, and upon visiting a service center, Chawla discovered it had been activated on March 2, 2023, long before his purchase. Despite repeated attempts, neither Flipkart, the seller (Bathla Teletech Pvt. Ltd.), nor OnePlus responded to or resolved the issue. Additionally, Chawla was levied an extra ₹49 handling charge on a second invoice, even though the first already included such fees.

Final Verdict:

The State Consumer Disputes Redressal Commission at Chandigarh **upheld the consumer's complaint**, holding Flipkart, the seller, and OnePlus jointly and severally liable. The Commission also issued a direct and binding order to all Opposite Parties, jointly and severally, to immediately discontinue the practice of issuing two separate bills for a single transaction on the pretext of an offer handling fee and not to indulge in such "dark patterns" practices in the future. This order was mandated to be complied with within one month from the date of receipt of the certified copy.

2.Case insight: Applicability of Refund Policy and Consumer Status in Direct Selling Dispute

Case Title: *Vihaan Direct Selling India Pvt. Ltd. vs Ravi Kumar And Another, [Appeal No. : 180 of 2024]*

Relevant Provisions: Sections 41 and 2(7) of the **Consumer Protection Act, 2019**

Legal Question: Whether the 7-day refund policy for international purchases applies over the 30-day buy-back policy in this case, and whether the complainant's father, as an Independent Representative, falls outside the definition of a 'Consumer' under Section 2(7) of the Consumer Protection Act, 2019, thereby negating claims of deficiency in service or unfair trade practice?

Context:

This case involves two appeals, Appeal No. 180 of 2024 by Vihaan Direct Selling India Pvt. Ltd. and Appeal No. 243 of 2024 by Neeraj Mahajan, both challenging a common order from the District Commission. The original complainant, Ravi Kumar, alleged **deficiency in service and unfair trade practice** after investing Rs. 6 lakhs in a QNET commission-based business, which was registered in his father's name as an Independent Representative. The central dispute revolved around the **refund policy**: Ravi Kumar asserted a 30-day buy-back period, while the Opposite Parties enforced a 7-day refund for international purchases, a fact Ravi Kumar claimed was not disclosed. The District Commission had partly allowed Ravi Kumar's complaint, directing a refund with interest, along with compensation for mental agony and litigation costs

Final Verdict:

The State Consumer Disputes Redressal Commission, U.T., Chandigarh (Additional Bench) reviewed the appeals from **Vihaan Direct Selling India Pvt. Ltd.** and **Neeraj Mahajan**. They concluded that the District Commission's earlier order was **not based on a correct appreciation of law and facts**, thus requiring intervention. Both appeals were **accepted**, and the District Commission's order was **set aside**.

This resulted in the **dismissal of Ravi Kumar's original consumer complaint**. Consequently, the directives for a refund of **Rs. 6 lakhs**, compensation of **Rs. 30,000**, and litigation costs of **Rs. 10,000** awarded to Ravi Kumar were overturned.

The Appellate Commission's decision supported the appellants' arguments that the **7-day refund policy for global purchases** was applicable, and that Ravi Kumar's father, as an **Independent Representative**, might be classified as a "**Direct Seller**", potentially excluding him from the definition of a '**Consumer**' under **Section 2(7) of the Consumer Protection Act**.

3.Case insight: Applicability of Direct Selling Guidelines and E-commerce Intermediary Liability in Trademark Disputes

Case Title: *Amazon Seller Services Pvt. Ltd. Vs. Amway India Enterprises Pvt. Ltd. & Ors. and Connected Matters [2020 SCC OnLine Del 454]*

Relevant Provisions: Direct Selling Guidelines (DSGs) dated 26th October, 2016, Sections 2(1)(w), 79 of the Information Technology Act, 2000 (IT Act), Sections 29, 30(3), 30(4) of the Trade Marks Act, 1999 (TM Act).

Legal Question: Are the Direct Selling Guidelines, 2016, legally binding? Do e-commerce sales infringe trademarks or constitute misrepresentation? Are e-commerce platforms "intermediaries" under the IT Act? Are platforms guilty of tortious interference?

Context:

Direct Selling Entities (Amway, Oriflame, Modicare) initiated suits against e-commerce platforms (Amazon, Cloudtail, Snapdeal) and their sellers. The DSEs sought injunctions to prevent unauthorized sales of their products online, alleging violations of the Direct Selling Guidelines (DSGs) and trademark rights. The Single Judge had previously granted interim injunctions, concluding that the DSGs were binding, trademark infringement occurred, platforms were active facilitators, and tortious interference was present. The e-commerce platforms appealed these findings.

Final Verdict:

The High Court set aside the Single Judge's judgment, dismissing the interim injunction applications in the suits. Rationale: The Court held that the **Direct Selling Guidelines (DSGs) are advisory, not legally binding law**, serving as a "model framework" for states, and not enforceable executive instructions. On trademark issues, the Single Judge's conclusions of **infringement and passing off were premature and beyond the pleadings**, and the principle of **international exhaustion of rights (TM Act Section 30(3)) applied** [96, 102.9, 156, 204].

Reports of product tampering by platforms were deemed insufficient at this interlocutory stage. E-commerce platforms were considered **prima facie "intermediaries" under IT Act Section 79**, with value-added services not automatically negating this safe harbour. Claims of **tortious interference lacked evidence of active inducement or direct contractual relationships**. Consequently, the Plaintiffs failed to establish a prima facie case, balance of convenience, or irreparable injury for interim relief.

4.Case insight: E-commerce Intermediary Liability, Consumer Protection, and the Significance of Platform-Specific Policies

Case Title: *India Mart Intermesh Ltd. vs Dr. Rajanala Nirmala and Another [2023 SCC OnLine NCDRC 287]*

Relevant Provision: Section 21(b) of the Consumer Protection Act, 2019

Legal Question: Should Indiamart, an e-commerce platform, be held jointly and severally liable for deficiency of service and fraud by a third-party vendor when the consumer used its platform merely for payment via a separate gateway and did not avail of the platform's 'Payment Protection Policy'?

Context:

The Complainant, Dr. Rajanala Nirmala, purchased four cots for Rs. 32,460/- from King Furniture (Vendor/Respondent No. 2) through Indiamart on July 25, 2018. The product was delayed and, upon receipt, was found to be of cheap plywood quality, not matching the description. The vendor failed to issue a refund despite assurances. The District Forum initially discharged Indiamart, holding only the vendor liable. However, the State Commission subsequently allowed an appeal, directing both Indiamart and the vendor to jointly and/or severally compensate the Complainant. Indiamart filed a Revision Petition against this order.

Final Verdict:

The **National Consumer Disputes Redressal Commission** allowed the Revision Petition, setting aside the orders of the State Commission and the District Forum, thereby **dismissing the complaint** against Indiamart. The Commission reasoned that the Complainant did not utilize Indiamart's '**Payment Protection Policy**'. Instead, payment was made directly to the vendor via a "Pay with Indiamart" link, which acted solely as a **payment facilitator** and lacked the mechanism to withhold payment until delivery verification.



| CASE TITLE | LEGAL QUESTIONS | CONTEXT | FINAL VERDICT | RELEVANT PROVISIONS |
|--|---|--|--|--|
| Ashwani Chawla v. Flipkart Internet Pvt. Ltd. & Ors [CC/113/2023] | Does issuing a separate, discreet bill for an "offer handling fee" constitute an unfair contract and a prohibited "dark pattern"? | Complainant bought a OnePlus 11R 5G phone on Flipkart. The phone was pre-activated, malfunctioning, and an extra ₹49 handling charge was levied on a second invoice despite an earlier charge. Flipkart, the seller, and OnePlus did not respond to repeated complaints. | State Consumer Disputes Redressal Commission, Chandigarh upheld the consumer's complaint. Flipkart, seller, and OnePlus were held jointly and severally liable and directed to discontinue the dual-billing practice and "dark patterns" within one month. | Sections 2(1)(e) and 4, Guidelines for Prevention and Regulation of Dark Patterns, 2023 |
| Vihaan Direct Selling India Pvt. Ltd. vs Ravi Kumar & Another [Appeal No. : 180 of 2024] | Does the 7-day refund policy for international purchases override the 30-day buy-back policy? Does the complainant's father, as an Independent Representative, qualify as a 'Consumer' under Section 2(7)? | Ravi Kumar invested Rs. 6 lakhs in a QNET-based business registered in his father's name. The dispute was over refund timelines (7-day vs 30-day) and whether the father was a 'consumer'. | Appellate Commission accepted Vihaan Direct Selling India Pvt. Ltd.'s appeal, setting aside the District Commission's order. Refunds, compensation, and litigation costs awarded earlier were dismissed. The 7-day refund policy applied, and the father could be classified as a Direct Seller, not a 'Consumer'. | Sections 41 and 2(7), Consumer Protection Act, 2019 |
| Amazon Seller Services Pvt. Ltd. vs Amway India Enterprises Pvt. Ltd. & Ors [2020 SCC OnLine Del 454] | Are the Direct Selling Guidelines, 2016 legally binding? Do e-commerce sales infringe trademarks or constitute misrepresentation? Are platforms "intermediaries" under IT Act? Are they liable for tortious interference? | DSEs (Amway, Oriflame, Modicare) filed suits against Amazon, Cloudtail, Snapdeal for selling products online, alleging DSG violations, trademark infringement, and tortious interference. Single Judge granted interim injunctions; platforms appealed. | High Court dismissed interim injunctions. DSGs deemed advisory, not legally binding. Trademark infringement and tortious interference claims not established. Platforms considered intermediaries under IT Act Section 79 with safe harbour intact. | Direct Selling Guidelines, 2016; Sections 2(1)(w), 79 IT Act; Sections 29, 30(3), 30(4) TM Act, 1999 |
| India Mart Intermesh Ltd. vs Dr. Rajanala Nirmala & Another [2023 SCC OnLine NCDRC 287] | Should Indiamart be held liable for deficiency of service and fraud by a third-party vendor when the consumer did not use platform's 'Payment Protection Policy'? | Dr. Nirmala purchased four cots from King Furniture via Indiamart's platform, paid directly via a "Pay with Indiamart" link. Products were delayed and of poor quality; vendor did not refund. | NCDRC allowed Indiamart's revision petition, dismissing the complaint. As the consumer used Indiamart solely for payment facilitation and not for platform protection mechanisms, Indiamart was not liable. | Section 21(b), Consumer Protection Act, 2019 |

LAWBY WRITES

Have Suggestions or Questions?

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