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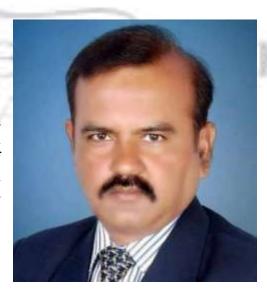


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With this thought, we hereby present to you

LEGAL

# "ISSUES AND CHALLENGES TO COMPETITION LAW POSED BY DIGITALIZED ECONOMY"

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### LIST OF ABBREVIATIONS

CCI: Competition Commission of India

NCLAT: National Company Law Appellate Tribunal

**OEMs: Original Equipment Manufacturers** 

DMA: Digital Markets Act

RBI: Reserve Bank of India

### **ABSTRACT**

The rapid evolution of the digital economy has significantly impacted the landscape of competition law, presenting novel challenges and necessitating a re-evaluation of traditional regulatory frameworks. This paper delves into the intricacies of these challenges, focusing on the emergence of monopoly power through digital platforms, the role of data as a barrier to entry, the implications of algorithms on competitive practices, and the necessity for robust consumer protection mechanisms within this digitalized context. Furthermore, it scrutinizes the enforcement of competition law amidst the complexities of digital markets and underscores the imperative for international cooperation in regulating these global entities. Through a systematic examination across various sections, including an introduction to the digital economy's impact on competition law, an analysis of monopoly power, data barriers, algorithmic competition, and consumer protection, followed by a discussion on enforcement challenges and the role of international cooperation, this paper aims to outline the key issues facing competition law in the digital age. The conclusion synthesizes these findings, offering insights into potential regulatory strategies and the future direction of competition law in effectively addressing the unique dynamics of the digital economy.

Keywords: - Digital

### 1 <u>INTRODUCTION</u>

Competition law, or antitrust law, aims to encourage competition and deter anti-competitive behaviours in the market through a series of regulations and legislation. The aim of competition law is to ensure that markets are open and competitive, which in turn benefits consumers by promoting innovation, improving quality, and reducing prices.<sup>1</sup> The Competition Act is enforced by the Competition Commission of India (CCI), which is an independent regulator that investigates anti-competitive practices and enforces competition law.<sup>2</sup>

Competition law in India, particularly in the context of the digital economy, has undergone significant scrutiny and development to address the challenges posed by digital market dynamics. One of the most notable cases in recent times involves the CCI imposing a substantial penalty on Google for antitrust violations related to its Android ecosystem.<sup>3</sup> This case underscored the regulatory focus on preventing market dominance abuses in the digital sector, emphasizing the need for maintaining competitive practices in markets heavily influenced by technology giants. The ruling by the National Company Law Appellate Tribunal (NCLAT) against Google highlighted critical concerns regarding the imposition of unfair conditions on Original Equipment Manufacturers (OEMs) and the abuse of dominant market positions. In response to the evolving digital marketplace, the Indian government has initiated steps towards establishing a more robust framework to regulate digital competition. This includes the formation of a Committee on Digital Competition Law to assess whether current legislative provisions are adequate for addressing digital economy challenges and to explore the necessity of an ex-ante regulatory mechanism specifically tailored for digital markets.<sup>4</sup> The Committee's recommendations, inspired by international best practices and legislation such as the Digital Markets Act (DMA) in the European Union, emphasize the importance of pre-emptive regulation to prevent anti-competitive practices in digital markets.<sup>5</sup> The discourse surrounding the need for a Digital Competition Act in India reflects a broader recognition of the unique challenges presented by digital markets, including market concentration and the potential for anti-competitive

<sup>&</sup>lt;sup>1</sup> The Goals of Competition Policy - OECD" (The Goals of Competition Policy - OECD) <a href="https://www.oecd.org/competition/the-goals-of-competition-policy.htm">https://www.oecd.org/competition/the-goals-of-competition-policy.htm</a>

<sup>&</sup>lt;sup>2</sup> Pahuja, P. (2018). Competition law in India: An overview. Legal Service India. http://www.legalserviceindia.com/legal/article-1119-competition-law-in-india-an-overview.html

<sup>&</sup>lt;sup>3</sup> Mr. Umar Javeed & Others Vs. Google LLC & Other 39 [2018].

<sup>&</sup>lt;sup>4</sup> Briefing I, "Digital Competition Law in India: Status of CDCL Panel" (India Briefing News, December 8, 2023) <a href="https://www.india-briefing.com/news/india-digital-competition-law-30506.html/">https://www.india-briefing.com/news/india-digital-competition-law-30506.html/</a>

<sup>&</sup>lt;sup>5</sup> Nair PS Nandini, "The Future of Competition Law – II: Digital Markets" (Bar and Bench - Indian Legal news, May 31, 2023) <a href="https://www.barandbench.com/law-firms/view-point/the-future-of-competition-law-ii-digital-markets">https://www.barandbench.com/law-firms/view-point/the-future-of-competition-law-ii-digital-markets</a>

practices by dominant players.<sup>6</sup> The ongoing deliberations and proposed legislative reforms aim to strike a balance between fostering innovation and preventing market abuses, ensuring that the benefits of the digital economy are widely shared while safeguarding consumer interests and promoting fair competition.<sup>7</sup>

The digital economy has had a significant impact on competition law in India. One of the key challenges in the digital economy is the dominance of certain players, which can make it difficult for new enterprises to compete. The CCI has been active in addressing these challenges, and has investigated several cases involving digital platforms. The CCI has also investigated in companies like google and Amazon for alleged anti-competitive practices related to its discounting policies in the Indian market. These developments in India's competition law landscape illustrate the country's proactive approach to addressing the complexities of the digital economy, signalling a commitment to evolving legal frameworks in response to technological advancements and market dynamics. The focus on digital markets and the actions taken against major technology firms underscore the critical role of regulatory oversight in maintaining competitive equilibrium in the digital age.

### 2 MONOPOLY POWER AND DIGITAL PLATFORMS

Monopoly power refers to the ability of a company to dominate a particular market, often through the control of a significant portion of market share. Digital platforms such as Google, Amazon, and Facebook have acquired significant market power in the Indian market, which has raised concerns about their potential to stifle competition. Google, for example, has a dominant position in the online search market in India, with an estimated market share of over 90%. Similarly, Amazon has a significant market share in the e-commerce market in India, with a market share of around 35%.

<sup>8</sup> Competition Commission of India. (2020). Press release: CCI orders investigation against Google for alleged abuse of dominant position. <a href="https://www.cci.gov.in/sites/default/files/PR2302020\_0.pdf">https://www.cci.gov.in/sites/default/files/PR2302020\_0.pdf</a>.

<sup>&</sup>lt;sup>6</sup> Briefing I, "Digital Competition Law in India: Status of CDCL Panel" (India Briefing News, December 8, 2023) <a href="https://www.india-briefing.com/news/india-digital-competition-law-30506.html/">https://www.india-briefing.com/news/india-digital-competition-law-30506.html/</a>

<sup>&</sup>lt;sup>7</sup> Supra. 5

<sup>&</sup>lt;sup>9</sup> Competition Commission of India. (2019). Press release: CCI orders investigation against Amazon for alleged anti-competitive practices. <a href="https://www.cci.gov.in/sites/default/files/PR\_ECBID\_22082019.pdf">https://www.cci.gov.in/sites/default/files/PR\_ECBID\_22082019.pdf</a>.

<sup>&</sup>lt;sup>10</sup> The monopolistic and Restrictive Trade Practices Act, 1969, Sec. 2 (i)

<sup>&</sup>lt;sup>11</sup> Search Engine Market Share India | Statcounter Global Stats. (1970, January 1). StatCounter Global Stats. <a href="https://gs.statcounter.com/search-engine-market-share/all/india">https://gs.statcounter.com/search-engine-market-share/all/india</a>

<sup>&</sup>lt;sup>12</sup> India: ecommerce market share by marketplaces 2022 | Statista. (n.d.). Statista. https://www.statista.com/statistics/1426790/india-ecommerce-market-share-by-marketplaces/

The issue of monopoly power wielded by digital platforms, notably Google and Amazon, in India has prompted significant regulatory scrutiny. Google's overwhelming dominance in the online search market, with over 90% market share, and Amazon's substantial presence in the e-commerce sector, highlight the concerns around potential anti-competitive practices that could stifle competition, elevate prices for advertisers and consumers, and hinder market entry for potential competitors.

The CCI has been active in addressing the issue of monopoly power in the digital economy. In 2018, the CCI imposed a fine of Rs. 136 crores on Google for abusing its dominant position in the online search market in India. The CCI found that Google was giving preferential treatment to its own services, such as Google Flights, in its search results, which was a violation of competition law. Further, the CCI imposed a fine of ₹1337 crore on Google for abusing its Play Store's market position. This action was part of the regulator's efforts to curb unfair practices that limit competition, such as restricting app developers from using third-party billing or payment processing services, which could affect consumer choices and innovation.

These regulatory actions demonstrate the CCI's commitment to preserving competitive market conditions against the backdrop of increasing digital platform dominance. By addressing the monopolistic practices of tech giants like Google, the CCI aims to ensure a level playing field for competitors and protect consumer interests in India's rapidly evolving digital economy. This decision underscored the regulatory focus on maintaining fair competition in digital markets bypenalizing practices that unfairly prioritize a company's own services or create barriers for competitors.

The acquisition of market power by these digital platforms has been facilitated by their ability to leverage network effects, which refers to the phenomenon where a service becomes more valuable as more users join the network. The market power of these digital platforms can be used to dominate competition in a number of ways. For example, they can use their dominance to charge higher prices to advertisers, which in turn can lead to higher prices for consumers. They can also use their market power to exclude competitors from the market, either by engaging in anti- competitive practices or

<sup>13</sup> Google fined Rs 136 Cr for abusing dominant position in India. (2018, February 8). Business Standard. <a href="https://www.business-standard.com/article/companies/google-fined-rs-136-cr-for-abusing-dominant-position-in-india-118020800132">https://www.business-standard.com/article/companies/google-fined-rs-136-cr-for-abusing-dominant-position-in-india-118020800132</a> 1.html

<sup>&</sup>lt;sup>14</sup> 14 "CCI Fines Google ₹1,337 Cr for Abusing Dominant Position in Android Ecosystem" (Hindustan Times, October 20, 2022) <a href="https://www.hindustantimes.com/business/competition-commission-fines-google-rs-1-337-cr-for-dominant-position-in-android-ecosystem-101666277781558.html">https://www.hindustantimes.com/business/competition-commission-fines-google-rs-1-337-cr-for-dominant-position-in-android-ecosystem-101666277781558.html</a>

Similarly, in 2019, the CCI ordered an investigation into Amazon for alleged anti-competitive practices related to its exclusive arrangements with smartphone manufacturers. The CCI found that Amazon was engaging in practices that may have prevented other e-commerce platforms from competing on a level playing field.

### 3 DATA AS A BARRIER TO ENTRY

Data can be used as a barrier to enter in the digital economy because companies like Facebook and Google have amassed large amounts of data that can be used to create a competitive advantage. These companies have amassed vast amounts of data, which they leverage to refine their algorithms, offering superior consumer insights and enhancing their services. <sup>16</sup> For instance, Facebook's use of data for targeted advertising enables advertisers to reach specific demographics, interests, and behaviour patterns, creating a competitive edge that is hard to match by new entrants. <sup>17</sup>

The accumulation of data allows companies to create sophisticated algorithms that can provide better insights into consumer preferences and behaviours, which in turn can be used to improve the products and services they offer.<sup>18</sup>

In India, the recognition of data as a crucial asset has led to regulatory measures aimed at addressing the challenges posed by data concentration. The Reserve Bank of India (RBI) mandated in April 2018 that all payment system data related to Indian customers must be stored on servers located within the country.<sup>19</sup> This directive covers a wide range of data, including transaction details, customer information (like names and PAN numbers), and sensitive payment information, aiming to protect

<sup>16</sup> Krow, A. (2022, July 21). How Does Facebook Benefit From Your Data Collection? Medium. <a href="https://medium.com/technology-hits/how-do-facebook-and-google-benefit-from-collecting-your-data-c6f161c2e017">https://medium.com/technology-hits/how-do-facebook-and-google-benefit-from-collecting-your-data-c6f161c2e017</a>

<sup>18</sup> Thakurta, P. G. (2019, March 12). Why India Needs a Strong Data Protection Law. The Wire. <a href="https://thewire.in/tech/india-data-protection-law">https://thewire.in/tech/india-data-protection-law</a>

<sup>15</sup> Dhar, V. (2020, January 9). The challenge of competition law in the digital age. The Hindu. https://www.thehindu.com/opinion/op-ed/the-challenge-of-competition-law-in-the-digital-age/article30590504.ece

<sup>&</sup>lt;sup>17</sup> Grow, A., Perrotta, D., Fava, E. D., Cimentada, J., Rampazzo, F., Gil-Clavel, S., Zagheni, E., Flores, R. D., Ventura, I., & Weber, I. (2022, December 1). Is Facebook's Advertising Data Accurate Enough for Use in Social Science Research? Insights from a Cross-National Online Survey. OUP Academic. <a href="https://doi.org/10.1111/rssa.12948">https://doi.org/10.1111/rssa.12948</a>

<sup>&</sup>lt;sup>19</sup> Reserve Bank of India - Notifications. (n.d.). Reserve Bank of India - Notifications. https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11244&Mode=0

Indian consumers' data and ensure regulatory access to it for supervisory purposes.<sup>20</sup> In India, the issue of data as a barrier to entry has been recognized by the government, which has introduced data localization requirements for certain types of data. Similarly, the government has introduced a "Personal Data Protection Bill", which seeks to regulate the collection and use of personal data in India.<sup>21</sup>

However, while data localization aims to bolster national security, law enforcement capabilities, and widen the tax base by ensuring that data-driven businesses contribute to India's economy, there are concerns. Critics argue that data localization may not inherently increase privacy protections without strong enforcement mechanisms and could lead to economic isolation or stifle growth due to increased operational costs for foreign companies.<sup>22</sup>

These regulatory measures highlight the complex interplay between promoting a digital economy's growth, protecting consumer privacy, and ensuring national security, underscoring the need for a balanced approach that fosters innovation while safeguarding critical data assets.

### 4 ALGORITHMS AND COMPETITION

Algorithms can be used to manipulate competition in the digital economy because they can be programmed to favour certain products, services, or companies over others. This can create barriers to entry for new competitors or be used as a tool for engaging in anti-competitive practices.<sup>23</sup> For example In 2018, the CCI imposed a penalty of Rs 84,000 (approximately USD 1,150) on Matrimony.com for using its algorithms to display biased search results in favour of its own listings, thereby limiting competition in the online matchmaking industry.<sup>24</sup> In this instance involved Matrimony.com, where the CCI imposed a penalty on Google for biased search practices. The case highlighted how Google's search algorithms were manipulated to favour its own services over

<sup>&</sup>lt;sup>20</sup> "What's Driving Data Localisation In India? - Data Protection - India" (What's Driving Data Localisation In India?

<sup>-</sup> Data Protection - India, May 6, 2020) <a href="https://www.mondaq.com/india/data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-protection/928916/whats-driving-data-localisation-in-india-data-protection/928916/whats-driving-data-protection-da

Payment System Data. https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11244&Mode=0

<sup>&</sup>lt;sup>22</sup> Global Business Head GB, "RBI Data Localisation - Everything You Need to Know about RBI's Data Localization Guidelines - AppSealing" (AppSealing, October 27, 2021) <a href="https://www.appsealing.com/rbi-data-localization/">https://www.appsealing.com/rbi-data-localization/</a>

<sup>&</sup>lt;sup>23</sup> Sharma, S. (2020, September 10). How Algorithms Can Be Used to Manipulate Competition. Harvard Business Review. https://hbr.org/2020/09/how-algorithms-can-be-used-to-manipulate-competition

<sup>&</sup>lt;sup>24</sup> Matrimony.com: "CCI fines Matrimony.com for using unfair algorithms", The Hindu (Feb. 8, 2018), https://www.thehindu.com/business/Industry/cci-fines-matrimonycom-for-using-unfair-algorithms/article22682316.ece.

competitors, illustrating the broader issue of algorithmic bias and its implications for market competition. Google was fined Rs 136.86 crore for abusing its dominant position in online general web search and search advertising services in India, setting a precedent for addressing algorithmic manipulations.<sup>25</sup>

Similarly, Amazon use algorithms to personalize search results and product recommendations for their users. This can provide a better user experience but if a company is able to manipulate the algorithms to favour its products or services, this can create a significant competitive advantage. Another example is Ola and Uber for predatory pricing using algorithms. In 2018, the CCI began investigating Ola and Uber for allegedly using algorithms to set prices and stifle competition. The investigation was prompted by complaints from passengers who claimed that the ride-hailing companies were engaging in anti-competitive practices.<sup>26</sup>

In India, the issue of algorithms and their potential for anti-competitive practices has been recognized by the CCI. In a recent case involving Google, the CCI found that Google had abused its dominant position by using its search algorithms to promote its own services over those of its competitors. To address the issue of algorithmic bias, the Indian government has also established the Centre of Excellence for Responsible AI, which aims to promote the development and use of

responsible AI practices in India. The CCI's actions against such practices signify a growing recognition of the challenges algorithms pose to fair competition. By imposing fines and demanding changes in practices, the CCI aims to ensure a level playing field for all market participants, emphasizing the need for transparency and fairness in algorithmic processes. These interventions also highlight the importance of regulatory oversight in preserving competitive markets, especially as digital platforms increasingly dominate economic activities.

<sup>&</sup>lt;sup>25</sup> "Google Fined Rs 136.86 Crore for Biased Search Practices in India by CCI" (India Today, February 9, 2018) <a href="https://www.indiatoday.in/technology/news/story/google-fined-rs-136-86-crore-for-biased-search-practices-in-india-by-cci-1165414-2018-02-09">https://www.indiatoday.in/technology/news/story/google-fined-rs-136-86-crore-for-biased-search-practices-in-india-by-cci-1165414-2018-02-09</a>

<sup>&</sup>lt;sup>26</sup> Ola and Uber: "CCI probes Ola, Uber for predatory pricing using algorithms", The Economic Times (Feb. 14, 2018), <a href="https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/cci-probes-ola-uber-for-predatory-algorithms/articleshow/62904567.cms">https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/cci-probes-ola-uber-for-predatory-algorithms/articleshow/62904567.cms</a>.

### 5 CONSUMER PROTECTION IN DIGITALIZED ECONOMY

The Consumer Protection Act, 2019, represents a significant step forward in enhancing consumer protection in India's increasingly digitalized economy. It introduces several key features aimed at safeguarding consumer interests against unfair trade practices, misleading advertisements, and defective products or services. Notably, the Act establishes a framework for addressing consumer complaints through the creation of authorities at the district, state, and national levels dedicated to consumer dispute redressal. It also emphasizes the liability of product manufacturers, service providers, and sellers in instances where consumer rights are infringed due to deficiencies or defects in goods and services. One of the pivotal aspects of the Act is its focus on unfair trade practices, which now specifically includes the unauthorized sharing of personal information provided by consumers in confidence. This provision aligns with concerns over data privacy and the misuse of consumer data in the digital economy.<sup>27</sup>

One of the pivotal aspects of the Act is its focus on unfair trade practices, which now specifically includes the unauthorized sharing of personal information provided by consumers in confidence. This provision aligns with concerns over data privacy and the misuse of consumer data in the digital economy. Consumer protection in the digital economy is a growing concern, as companies with significant market power can use their position to harm consumers. In the absence of effective competition, these companies may engage in anti-competitive practices, such as price fixing which can lead to higher prices, reduced product quality, and limited consumer choice. In addition to competition law, consumer protection laws can also be used to protect consumers in the digital economy.

To strengthen consumer protection in the digital economy, India has recently introduced several new measures, including the Personal Data Protection Bill, 2019, which seeks to establish a framework for protecting personal data and ensuring user privacy, and the Consumer Protection (E-Commerce) Rules, 2020, which provide guidelines for e-commerce companies to ensure fair trade practices and

<sup>28</sup> Ibid. 22

<sup>&</sup>lt;sup>27</sup> The Consumer Protection Act, 2019: Key Features And Highlights - Dodd-Frank, Consumer Protection Act - India" (The Consumer Protection Act, 2019: Key Features And Highlights - Dodd-Frank, Consumer Protection Act

 $<sup>-</sup> India, June 25, 2020) \underline{\ \ https://www.mondaq.com/india/dodd-frank-consumer-protection-act/958250/the-consumer-protection-act-2019-key-features-and-highlights}$ 

# 6 ENFORCEMENT OF COMPETITION LAW IN THE DIGITAL ECONOMY

Enforcing competition law in the digital economy presents a unique set of challenges, as traditional approaches may not be effective in this context. The digital economy is characterized by rapid innovation, network effects, and the collection and use of vast amounts of data, which can make it difficult to identify and address anti-competitive behaviour.

One major challenge of enforcing competition law in the digital economy is the difficulty of defining relevant markets. Digital markets are often characterized by multi-sided platforms that serve multiple user groups, making it challenging to determine the boundaries of relevant markets. For example, in the case of Google, it can be difficult to determine whether the relevant market is search engines, online advertising, or a combination of both.<sup>30</sup>

The global nature of the digital economy can pose challenges for enforcement authorities, particularly in jurisdictions with limited resources or differing legal systems. This can make it difficult to coordinate enforcement actions, share information, and impose penalties that have a meaningful impact.<sup>31</sup>

In India, the CCI has taken steps to develop its capacity to enforce competition law in the digital economy. It has established a specialized team to investigate digital markets and has sought to build relationships with other competition authorities around the world. One approach is to use data-driven tools and methodologies to analyse large amounts of data and identify potential anti- competitive behaviour. This may involve the use of algorithms and artificial intelligence to identify patterns and anomalies that may indicate anti-competitive behaviour.

<sup>&</sup>lt;sup>29</sup> Sharma, S. (2021, January 19). WhatsApp faces investigation in India over updated privacy policy. Financial Times. https://www.ft.com/content/da057c88-a018-4662-bac9-68220b1f482c\*\*\*

<sup>&</sup>lt;sup>30</sup> Competition Commission of India. (2019). Competition Law and Policy in a Digital Economy. <a href="https://www.cci.gov.in/sites/default/files/whats\_newdocument/Digital%20Economy.pdf">https://www.cci.gov.in/sites/default/files/whats\_newdocument/Digital%20Economy.pdf</a>

<sup>&</sup>lt;sup>31</sup> Caffarra, C., & Katsoulacos, Y. (2018). Competition law and regulation in digital markets. Journal of European Competition Law & Practice, 9(2), 81-86

### 7 INTERNATIONAL CO-OPERATION AND COMPETITION LAW

The need for international cooperation in enforcing competition law in the digital economy arises due to the global reach of many digital platforms and the difficulty of enforcing competition law in the context of the borderless digital market. Companies can use their global reach to engage in cross-border anti-competitive conduct, such as price discrimination, bundling, and exclusionary conduct, which can harm competition in multiple markets. For example, a dominant platform in the digital advertising market may engage in anti-competitive conduct in multiple countries, making it difficult for individual countries to address the conduct effectively.<sup>32</sup>

In India, the CCI has sought to develop relationships with other competition authorities around the world to enhance cooperation in enforcing competition law in the digital economy. The CCI has signed Memoranda of Understanding (MoUs) with several competition authorities, including the United States Department of Justice, the European Commission, and the Competition Bureau of Canada.<sup>33</sup> The International Competition Network (ICN), which is a network of competition authorities from around the world, has developed guidance on cooperation and convergence in the digital economy. International cooperation in enforcing competition law, particularly within the digital economy, is crucial due to the transnational operations of many digital platforms and the challenges they pose to competition across borders. The 8th BRICS International Competition Conference 2023, hosted by the CCI, underscored this need by bringing together competition authorities, policy experts, and stakeholders from BRICS and non-BRICS nations. The conference facilitated the exchange of views on emerging issues related to competition law and policy, emphasizing the importance of sharing information, experiences, and best practices among BRICS jurisdictions to promote fair competition practices.<sup>34</sup>

The significance of international cooperation extends beyond BRICS, as digital firms often operate globally, providing the same products and services across different legal jurisdictions. This global operation increases compliance costs and generates risks of inconsistency in legal requirements. For

<sup>&</sup>lt;sup>32</sup> International Competition Network. (2018). Recommended Practices for Merger Notification and Review Procedures.
<a href="https://www.internationalcompetitionnetwork.org/wp-content/uploads/2019/01/ICN">https://www.internationalcompetitionnetwork.org/wp-content/uploads/2019/01/ICN</a> RP Merger NandR EN.pdf

<sup>&</sup>lt;sup>33</sup> Competition Commission of India. (2018). Annual Report 2017-18. https://www.cci.gov.in/sites/default/files/annual\_report/AR2017-18/CCI%20Annual%20Report%202017-18.pdf

<sup>&</sup>lt;sup>34</sup> "8th BRICS International Competition Conference 2023 Concludes with Adoption of a Joint Statement" cpib.gov.in/Pressreleaseshare.aspx?PRID=1967490

example, in the European Union, gatekeepers under the Digital Markets Act (DMA) cannot impose unfair terms and conditions, but other EU laws and national laws may already impose fairness requirements, potentially leading to different interpretations of what is considered fair. Interoperability between different competition laws aims to reduce these inconsistencies and compliance costs, enabling firms to scale up across borders more easily. It also ensures that competition authorities can apply the same legal interpretations, helping to address competition issues that are often similar worldwide.<sup>35</sup>

In response to these challenges, some jurisdictions have introduced laws requiring companies to report all intended acquisitions to competition authorities for merger review. The goal is to catch mergers that could pose competition issues, especially those involving digital platforms where the acquired firm may not meet traditional merger control thresholds due to low or non-existent turnover. Moreover, non-compliance with these laws can lead to sanctions, including fines and behavioural or structural remedies imposed by authorities to change a firm's behaviour or structure.<sup>36</sup>

### 8 CONCLUSION

The digitalization of the economy has presented numerous challenges to the effective enforcement of competition law. The rise of digital platforms, the accumulation of data, the use of algorithms, and the difficulty of protecting consumers in the digital market have all created challenges for competition authorities.

To navigate these challenges, several strategic measures can be employed. Firstly, updating competition laws to better address the nuances of digital markets is crucial. This entails revising legal frameworks to capture the dynamic nature of digital platforms and the novel ways in which they operate and compete. For instance, the CCI has been active in adapting its approach to enforcement in the digital economy, as seen in its hosting of the 8th BRICS International Competition Conference 2023. This conference underscored the importance of international cooperation and shared learning among competition authorities. Enhancing cooperation among competition authorities globally is essential to address the borderless nature of digital markets effectively. The digital economy's global

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<sup>35 &</sup>quot;8th BRICS International Competition Conference 2023 Concludes with Adoption of a Joint Statement" pib.gov.in/Pressreleaseshare.aspx?PRID=1967490
36 Ibid. 29

reach necessitates collaborative efforts among jurisdictions to ensure coherent and effective enforcement actions. The 8th BRICS International Competition Conference's emphasis on shared experiences and best practices among BRICS nations illustrates the growing recognition of the need for strategic alignment and cooperation to foster competition-driven growth and address the challenges posed by digitalization. There are some solutions like updating competition law to address digital markets, developing new tools and methodologies for analysing competition in the digital economy, enhancing cooperation among competition authorities, and promoting greater transparency and accountability in the digital market. while the challenges to competition law in the digital economy are significant, there are a range of potential solutions that can be employed to address these challenges. With continued attention and action from competition authorities, policymakers, and stakeholders in India and around the world, it is possible to promote competition and innovation in the digital economy.

In conclusion, while the challenges to competition law enforcement in the digital economy are significant, a combination of updated legal frameworks, advanced analytical tools, international cooperation, and enhanced transparency can provide robust solutions. Continuous engagement and collaboration among competition authorities, policymakers, and stakeholders across the globe are imperative to navigating the complexities of the digital economy and ensuring that it remains vibrant, competitive, and innovative.

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