

AN ANALYSIS ON UNFAIR TRADE PRACTICES AND THEIR LEGAL REMEDIES IN COMMERCIAL LAW

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Introduction

In today's business world, unfair trade practices have grown to be a serious problem that impacts companies, consumers, and market competition. These tactics include predatory pricing schemes, misleading product descriptions, deceptive pricing, fraudulent advertising, and unethical commercial activities. In addition to misleading customers, such practices skew fair competition and provide unethical companies an unfair edge over moral rivals. Over time, the idea of unfair trade practices has changed as many legal systems have created rules to stop dishonest and exploitative corporate practices. To keep an eye on and punish unfair trade practices, nations all over the world have put in place specialized legislation and regulatory agencies. For example, mechanisms to control these acts and safeguard consumer rights are provided by the Consumer Protection Act in India, the Unfair Commercial acts Directive in the European Union, and the Federal Trade Commission (FTC) in the United States. Notwithstanding these legislative actions, difficulties still exist, particularly in light of the growth of digital commerce, marketing powered by AI, and the complexity of cross-border trade. By examining unfair trade practices' history, legal frameworks, judicial interpretations, enforcement strategies, and difficulties, this research piece seeks to present a thorough overview of these practices. Along with evaluating the efficacy of the existing legal remedies, it will also look at how courts have influenced our understanding of unfair commercial practices through seminal case laws. Additionally, it will draw attention to new problems in international trade and e-commerce, where dishonest business practices are becoming more prevalent and frequently outside the purview of established legal systems.

In order to improve consumer protection and guarantee fair competition in an increasingly digitized and international economy, the study will conclude with recommendations for bolstering law enforcement and policy reforms. In addition to being required by law, addressing unfair trade practices is an essential first step in promoting openness, moral corporate practices, and long-term economic success.

Unfair Trade Practices: An Overview and Development

Deceptive, fraudulent, or unethical business methods that mislead customers or offer companies an unfair competitive edge are referred to as unfair trade practices. Economic

policies, legal advancements, and consumer protection initiatives have all influenced the concept's evolution over time. Historically, companies operated in a laissez-faire environment with trade activities that were mainly unregulated. However, instances of

exploitation and manipulation rose as economies grew and markets became more competitive. As a result, laws designed to stop these kinds of activities were introduced. A significant turning point was the emergence of consumer protection legislation in the 20th century, which established legal definitions and sanctions for unfair trade practices. Unfair trade practices are subject to a number of international laws and regulations. The Federal Trade Commission Act of 1914 forbids dishonest business practices in the US. The Unfair Commercial Practices Directive (2005), which shields customers from deceptive and aggressive marketing, is similarly enforced by the European Union. Unfair trade practices are defined and legal remedies are offered by India's Consumer Protection Act (2019). Deceptive advertising, misrepresentations of products, unfair pricing schemes, and non-adherence to product standards are all examples of unfair commercial practices. New types of unfair trade, like online fraud and manipulative algorithms, have also emerged as a result of the growing digitization of commerce. A larger movement toward consumer rights and moral corporate practices is reflected in the development of laws against unfair trade practices. Even if legal frameworks have grown stronger, there are still issues, especially in digital marketplaces and international trade. Addressing new unfair commercial practices requires ongoing law revisions and effective enforcement.

Evaluation of Legal Frameworks Concerning Unfair Trade Practices in Comparison

Due to differences in economic policies and consumer protection concerns, several jurisdictions have created unique legal frameworks to control unfair trade practices. These variations are brought to light by a comparison of the main legal systems.

United States: Under the FTC Act (1914), the FTC is primarily responsible for policing unfair trade practices. The law forbids fraud, unfair competition, and deceptive advertising. The FTC can punish companies that engage in unfair

practices and has extensive investigative authority.

European Union: A standardized framework to stop deceptive and aggressive economic activities is established under the EU Unfair Commercial activities Directive (2005). It provides clear guidelines for pricing, promotion, and product claims, protecting consumers in all EU member states.

India: A thorough legal framework to address unfair trade practices is provided under the Consumer Protection Act (2019). It gives consumer courts the authority to decide cases including unfair pricing, deceptive labels, and deceptive advertising. Anti-competitive behaviour is also governed by India's Competition Act (2002).

China: Deceptive marketing, infringement of trade secrets, and monopolistic actions are covered by the Anti-Unfair Competition Law (1993, revised in 2017). Chinese authorities have made enforcement measures more robust in an effort to stop unscrupulous corporate activities. These differences are a reflection of the various nations' economic environments and consumer protection agendas. Some nations, like the US Federal Trade Commission, prioritize regulatory control, while others, like the EU and India, take a consumer-centric stance. Notwithstanding these variations, preventing consumer-harming business practices and promoting fair competition continue to be the shared goals.

Case Law and Judicial Trends Regarding Unfair Trade Practices

Laws against unfair trade practices are interpreted and enforced in large part by judicial rulings. Globally, courts have established important precedents that influence how laws are applied. Federal commercial Commission v. Sears (1967) is a seminal case in the United States in which the FTC determined that deceptive advertising was an unfair commercial conduct. Similarly, the court expanded the scope of regulation to include digital commerce in FTC v. Wyndham Worldwide (2015), ruling that the failure to

deploy cybersecurity safeguards amounted to an unfair business practice. The topic of deceptive business practices was brought to light in the European Union by the Apple "Planned Obsolescence" Case (2020). Apple was punished for breaking EU consumer protection regulations by purposefully slowing down outdated iPhone models without telling customers. The Indian Supreme Court placed a strong emphasis on corporate responsibility in deceptive advertising in its 2007 ruling in Hindustan Coca-Cola Beverages v. Consumer Education and Research Centre. Transparency in e-commerce was strengthened further recently when the National Consumer Disputes Redressal Commission (NCDRC) decided against online travel agencies for charging hidden fees. Consumer rights and corporate responsibility are becoming more and more important, according to judicial trends. Courts are interpreting unfair commercial practices to encompass deception in online marketplaces, digital fraud, and data privacy crimes.

Enforcement Mechanisms and Legal Remedies

Restitution to impacted customers and the prevention of unethical company practices are the goals of legal remedies for unfair trade practices. Financial restitution, injunctions, fines, and regulatory measures are some examples of these remedies.

Consumer Compensation: Those who have been harmed by unfair business practices may be able to get financial restitution. Compensation is frequently granted by courts based on monetary losses, psychological suffering, and the expense of corrective advertising. **Orders of Cease and Desist and Injunctions:** In order to prevent unfair trade practices, courts and regulatory agencies have the authority to issue injunctions. For example, the FTC often directs companies to stop using misleading advertising. **Regulatory Penalties:** Companies that engage in unfair trade practices face penalties and sanctions from the government. For instance, Google (2018) was fined a record €4.34 billion by the European Commission for abusing its market dominance

in mobile search advertising. **Criminal Liability:** In severe circumstances, company executives that engage in dishonest commercial operations may be charged with crimes. Serious financial deceit and consumer fraud are punishable by imprisonment in some jurisdictions.

Globally, enforcement methods differ. The FTC actively looks into and prosecutes unfair trade issues in the United States. While India's Consumer Protection Authority uses consumer courts to pursue infractions, the EU depends on regulators from its member states. Consumer knowledge, legal clarity, and regulatory monitoring are all necessary for these mechanisms to be effective.

Obstacles and Upcoming Changes in the Fight Against Unfair Trade Practices

Effective regulation of unfair trade practices is hampered by a number of issues, notwithstanding current legal frameworks. Cross-border trade, the quick growth of digital markets, and changing business structures all present new challenges for enforcement. **Unfair Practices and Digital Commerce:** The emergence of e-commerce platforms has resulted in data privacy abuses, hidden fees, and misleading internet advertising. New legal frameworks that handle algorithmic manipulation and AI-driven pricing strategies are necessary for regulating digital firms. **International Trade and Conflicts of Jurisdiction:** Since many global corporations operate in several jurisdictions, enforcement is challenging. International collaboration in law enforcement is necessary since a deceptive advertisement in one nation can have an impact on customers all across the world. **Access to Justice and Consumer Awareness:** Many customers are unaware of their rights, which makes it harder for them to protest unjust business practices. Access to justice can be enhanced by enhancing consumer information and streamlining legal processes.

Proposed Reforms: Lawmakers and legal experts recommend amending existing legislation to control new unfair activities in

bitcoin fraud, deepfake product evaluations, and AI-driven advertising. Addressing cross-border unfair trade issues can also be facilitated by strengthening international cooperation through accords such as the United Nations Guidelines for Consumer Protection (2015). In summary, unfair trade practices are always changing, necessitating flexible legal solutions. To guarantee fair competition and consumer protection, future changes should concentrate on digital regulation, cross-border cooperation, and more robust enforcement measures.

Conclusion

Globally, unfair trade practices present serious problems for firms, consumers, and economies. Market justice and consumer trust are threatened by these unethical actions, which range from deceptive advertising to predatory pricing and digital fraud. Many nations have created legal frameworks to control and prohibit these tactics, and regulatory agencies like the European Commission, the Federal Trade Commission (FTC) in the United States, and India's Consumer Protection Authority are essential to their implementation. Additionally, judicial precedents have influenced how unfair trade rules are interpreted, extending their applicability to cross-border transactions, cybersecurity lapses, and digital commerce. However, because of changing business models, digital change, and jurisdictional complications, difficulties still exist in spite of these efforts. Consumers can find recourse through traditional legal remedies like compensation, injunctions, and regulatory penalties, but new risks need for more aggressive enforcement and updated legislation. New types of unfair trading practices have been brought about by the growth of e-commerce, artificial intelligence (AI), and cryptocurrency markets, which may not be entirely covered by current legal frameworks. Legal frameworks must so change and develop in order to provide thorough consumer protection and equitable competition in international marketplaces.

Suggestion

The following suggestions must to be taken into account in order to bolster the battle against unfair trade practices:

1. Strengthening Regulation of Digital Markets
Governments ought to enact stronger laws against deepfake product evaluations, AI-driven advertising, and invasions of privacy. Establishing explicit rules for e-commerce platforms is necessary to stop misleading product descriptions, hidden costs, and misleading pricing.

2. Increasing Inter-Border Legal Collaboration
International cooperation amongst regulatory bodies is crucial since many enterprises operate internationally. To facilitate cooperative investigations and enforcement measures, agreements like the 2015 United Nations Guidelines for Consumer Protection should be strengthened.

3. Increasing Legal Accessibility and Consumer Awareness

To inform people about prevalent unfair trade practices and accessible legal remedies, governments and consumer rights organizations can start awareness campaigns. Online dispute resolution (ODR) systems and other streamlined legal processes might make it easier for customers to raise complaints.

4. Imposing Tougher Penalties on Repeat Offenders

Businesses that engage in persistent unfair trade practices ought to be subject to more severe sanctions, such as higher fines, limitations on market activity, or, in extreme situations, criminal culpability for executives.

5. Revising Competition Law to Take into Account New Business Models

To maintain fair competition, platform-based companies, digital monopolies, and algorithm-driven pricing schemes necessitate new antitrust laws.

Regulators need to keep a close eye on market developments and revise legislation as necessary.

By putting these policies into place, governments may fortify the legal and



regulatory framework that successfully opposes unfair trade practices and encourages moral business practices. Ensuring a fair, open, and consumer-friendly market that benefits all economic stakeholders is the ultimate objective.

