

Review on the Dominant Position Under Competition Act, 2002 with Special Reference to Digital Market in India

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Abstract: *The rapid expansion of digital platforms has significantly altered the functioning of modern markets and intensified concerns regarding concentration of economic power among major technology enterprises. Digital corporations operating through online marketplaces, search engines, mobile application ecosystems, and social networking platforms often acquire substantial market influence through network effects, access to large volumes of user data, and technological integration. Such concentration has created new challenges for competition law enforcement. The Competition Act, 2002 seeks to preserve fair market conditions by prohibiting anti-competitive conduct, including the abuse of dominant position under Section 4. This paper examines the applicability and effectiveness of the statutory framework in addressing anti-competitive behaviour within India's digital economy. Particular attention is given to practices such as predatory pricing, self-preferencing, discriminatory conduct, denial of market access, and exploitation arising from data concentration.*

The study further evaluates the evolving role of the Competition Commission of India in regulating dominant digital enterprises and identifies practical challenges relating to technological complexity, procedural inefficiency, and jurisdictional limitations. Using a doctrinal research methodology based on legislation, judicial precedents, committee reports, and scholarly materials, the paper concludes that although the present framework provides an important foundation for regulating digital competition, substantial reforms are required to strengthen enforcement and effectively address the realities of platform-based markets.

Keywords: Competition Act, Abuse of Dominance, Digital Economy, Competition Commission of India, Digital Platforms, Anti-Competitive Conduct

I. INTRODUCTION

The emergence of digital technology has fundamentally transformed commercial activity and reshaped the structure of market competition across the world. Online platforms today influence consumer choices, business strategies, pricing mechanisms, and access to services on an unprecedented scale. Large technology enterprises derive considerable market power from their control over digital infrastructure, consumer data, platform ecosystems, and network-based advantages. As a result, concerns relating to monopolistic behaviour and anti-competitive practices have gained increasing prominence.

The Indian competition law regime, primarily governed by the Competition Act, 2002, seeks to ensure healthy market competition and prevent misuse of economic dominance. Section 4 of the Act specifically prohibits enterprises from abusing their dominant position within the relevant market. Although dominance itself is not unlawful, conduct amounting to exploitation or exclusion of competitors attracts regulatory scrutiny.

The application of traditional competition law principles to digital markets presents unique legal and economic challenges. Unlike conventional industries, digital platforms often operate through data-driven models, algorithmic



decision-making, and multi-sided market structures. Practices such as predatory pricing, preferential treatment of affiliated services, restrictive platform policies, and denial of market access may significantly distort competition. This paper critically evaluates the adequacy of the Indian legal framework in addressing abuse of dominant position within digital markets. It further analyses the role of the Competition Commission of India in regulating dominant technology enterprises and examines whether existing legal mechanisms are capable of responding effectively to rapidly evolving digital business models.

II. LITERATURE REVIEW

Contemporary legal scholarship on competition law increasingly focuses on the regulatory concerns arising from digital markets and platform economies. Various researchers have emphasised that traditional indicators of market power are often inadequate for assessing dominance in data-driven industries. The significance of network effects, consumer lock-in, access to data, and algorithmic control has become central to modern competition analysis.

Academic studies and policy reports have also highlighted the growing influence of dominant digital platforms over online commerce and information flow. The Competition Law Review Committee and several international regulatory bodies have recommended the development of specialised approaches for addressing anti-competitive practices in digital ecosystems.

A number of scholars have appreciated the proactive approach adopted by the Competition Commission of India in investigating major digital enterprises. However, concerns continue to be raised regarding prolonged investigations, limited technical expertise, evidentiary complexities, and challenges in defining relevant markets within the digital economy.

Despite the availability of substantial literature on abuse of dominance, there remains a need for focused examination of the practical effectiveness of Indian competition law in regulating rapidly expanding digital markets. This paper seeks to contribute to that area of study through a critical legal analysis.

III. DISCUSSION

Meaning and Nature of Abuse of Dominant Position

Section 4 of the Competition Act, 2002 prohibits enterprises from engaging in conduct that amounts to abuse of dominant position within the relevant market. The law does not prohibit dominance itself; rather, liability arises when a dominant enterprise uses its position in a manner that restricts competition or harms consumers.

The Act identifies several forms of abusive conduct, including imposition of unfair conditions, discriminatory pricing, predatory pricing, restriction of production or technical development, denial of market access, tying arrangements, and leveraging dominance in one market to enter another.

In digital markets, dominance is often reinforced by factors such as network effects, control over consumer data, platform dependency, and high switching costs. These characteristics create significant barriers for new entrants and enable dominant enterprises to consolidate market power over time

Role of the Competition Commission of India in Digital Markets

The Competition Commission of India has increasingly engaged with issues relating to digital competition and platform regulation. Investigations involving search engines, mobile operating systems, app distribution platforms, e-commerce marketplaces, and online advertising services reflect the expanding scope of competition law enforcement in the digital sector.

Proceedings concerning Google's Android ecosystem and Play Store policies brought significant attention to issues such as self-preferencing, compulsory pre-installation of applications, restrictive agreements, and discriminatory treatment of competitors. Such cases demonstrate the growing recognition of the need to regulate anti-competitive conduct in digital markets.



The Commission has attempted to adapt existing legal principles to complex technological markets. However, digital platforms frequently operate through rapidly evolving business models, making it difficult to assess market power, identify anti-competitive conduct, and measure consumer harm using conventional legal standards.

Challenges in Regulating Digital Enterprises

Regulation of digital markets presents multiple legal and institutional challenges. Traditional competition law frameworks were primarily designed for conventional industries and may not adequately address platform-based economies dependent upon algorithms, data analytics, and interconnected digital ecosystems.

One of the major difficulties lies in defining the relevant market in cases involving multi-sided platforms where services may appear free to consumers while generating revenue through data collection and targeted advertising. Similarly, assessing dominance based solely on market share may not accurately reflect the competitive realities of digital markets.

Enforcement agencies also face challenges arising from lengthy investigative procedures, limited technical expertise, jurisdictional complications involving multinational enterprises, and the speed at which technology evolves. Dominant digital companies often possess significant financial and technological resources that enable them to maintain market power through acquisitions, exclusive partnerships, and ecosystem integration.

Need for Legal and Institutional Reforms

The increasing concentration of economic power within digital markets has generated demand for specialised competition regulation in India. Several experts and policy bodies have recommended reforms aimed at strengthening the regulatory framework governing dominant digital enterprises.

Suggested reforms include introduction of faster investigation mechanisms, enhancement of technical expertise within regulatory institutions, stronger penalties for anti-competitive conduct, and improved coordination between competition authorities and data protection regulators. There is also growing support for introducing ex-ante regulatory obligations for dominant digital platforms. Such measures may help prevent anti-competitive conduct before irreversible harm is caused to market competition and consumer welfare.

IV. CONCLUSION

The Competition Act, 2002 represents a significant legislative effort to promote fair competition and prevent misuse of market power in India. Nevertheless, the rapid growth of digital markets has exposed several limitations within traditional competition law approaches. Although the Competition Commission of India has adopted a more active approach towards regulating dominant technology enterprises, effective enforcement continues to be affected by procedural delays, technological complexities, evidentiary difficulties, and institutional limitations. The dynamic nature of digital markets requires regulatory frameworks that are capable of responding swiftly to evolving forms of anti-competitive conduct. A modern and technology-oriented competition regime is therefore essential for addressing data-driven dominance and protecting market competition in the digital economy. Strengthening institutional capacity, improving technical expertise, ensuring timely adjudication, and developing specialised digital competition policies will play a crucial role in safeguarding consumer welfare and maintaining competitive market structures in India.

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