

## Review Article on the purpose of the antitrust laws is to protect and support free competition

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**Abstract:** As per review on many journal, articles and bylaws we come to know that it is not an alternate for sound lawful guidance and does not take the place of knowledgeable lawful counsel required in analyzing exact problems. Competition strategy encroaches ahead all aspects of marketplace able behavior and policy. In India, companies have to act in accordance with opposition laws, both in family member to transactions and marketplace able performance. Before the Competition Act 2002 came into outcome the MRTP Act, 1969 was the governing legislation in admiration of the competition guiding principle in India.

In this article we would like to through light on safety towards free competitions, advertisement and promotions, monopoly power, different acts working under antitrust etc. we also through light on different aspects on you and your customer and competitors itself. We represent clients before the Competition Commission. We also conduct due industry with respect to all merger, acquisition, joint venture with suitable anti-trust safeguard procedures and policies.

**Key Words:** Antitrust laws, free competition, legal allegations and penalties.

### Introduction :

This discussion is not intended to be a legal treatise or a detailed explanation of the many provisions of the federal antitrust laws. This substance is proposed as a non-technical clarification of the major supplies of the centralized antitrust laws, to stimulate responsiveness of the more frequent problems encountered by industry and the common principles which preside over these areas.

Our country's basic financial philosophy has been its confidence in liberated competition. The reason of the antitrust laws is to protect and promote free competition. The antitrust statute was not enacted as a unit but come out over the years as the need for new laws or changes were predictable.

The statutes use universal language rather than accurate definitions of the exact kind of conduct which would breach the law for the reason that the antitrust words is so broad, the adjudicators and the Federal Trade Commission have enjoyed wide carefulness in interpreting and applying the law. This has been establishing desirable in a altering society. However, this elasticity has at times made it difficult for industry to know whether convinced practices infringe the law.

### TYPES OF ANTITRUST LAWS

1. **Sherman Act**
2. **Clayton Act**
3. **Robinson- Patman Act , and**
4. **Federal Trade Commission Act**

The attention at the back these laws is that in every marketplace there must be healthy competition: If in each marketplace there are a lot of sellers effectively competing against one more to sell a particular kind of manufactured goods or service to paying customers, no seller will be able to take unwarranted benefit of the buyers, but rather each seller will be grateful to offer its goods or service on good-looking terms, and each will be responsive and well-organized in its dealings with buyers, who or else will simply turn to another, improved seller.

### Penalty for contravention of instructions of Competition Commission:

Under Sections 27, 26, 32, 33, 42 A, 43 A & 42 provide penalty for contravention of orders of Competition Commission (Antitrust Law). The charge may cause an investigation to be made into observance of the orders or instructions made in exercise of its powers underneath this Act. If any being fail to comply with the orders or information of the Commission issue below-

- Orders by Commission after investigation into agreements or mistreatment of dominant position;
- Division of enterprise enjoy leading position;
- Orders of Commission on convinced combinations;

- Acts take place outer India but having an result on competition in India;
- Interim instructions issued by Commission;
- Compensation in case of breaking of order of Commission;
- Order for penalty for none furnish of information on grouping. Of the Act, he shall be carrying a punishment of with fine which may extend to
- 1 lakh for each day during which such non compliance occurs, subject matter to a highest 10 crore, as the Commission may decide.

### **COMPETITOR'S PROS AND CONS:**

- 1. Price Fixing**
- 2. Allocation of Customers and Territories**
- 3. Group Boycott**
- 4. Exchanging Information with Competitors**
- 5. Trade Associations**

An unlawful agreement among competitors is often alleged, and sometimes proved, merely by guiltless conversations or allocation information with a competitor. This is incidental evidence that an unlawful considerate was reached. In order to avoid even the manifestation of improper concentrated action, you should avoid discussing the following with some opponent:

- Price,
- Pricing strategy
- Forecasting of prices
- A definite company's acknowledgment terms,
- Selection, refusal or extinction of one or your suppliers or customers
- All Production level or schedule
- Bids,

### **CUSTOMER's pros and cons:**

- 1. Selection of clientele**
- 2. Non-price Resale limitations**
- 3. Resale cost Maintenance**
- 4. Price bias**
- 5. Services, amenities and Promotional allowance**
- 6. Exclusive Dealing preparations**
- 7. Tying preparations**

### **8. MONOPOLY POWER:**

Under current law, mortal a “monopoly” is not against the law; nor is annoying to best one’s competitors from beginning to end inferior prices, better customer service, better efficiency, or more rapid novelty. Consumers advantage when Company Apple Ltd manufacture of iphones disrupts the marketplace with iPhones and iPads, still if this means they sells fewer Black Berries phones or that Microsoft license fewer Desktop phones. Under this law only springs into act against a monopoly as soon as it destroys the aptitude of another company to enter the marketplace and struggle.

Important question occurs that is whether a particular domination monopoly system is harm consumers or just harming its competitors for the benefit of those consumers.

### **RESTRAINTS OF BUSINESS:**

Restraint for do business takes a huge number of forms, range from personal activity (e.g., contracts among 2 parties) to administration regulation (e.g., licensing necessities). Common practices comprise non-competition clauses, elite dealing preparations, and price bias. Employers restrain trade by restrict the movement of their workers (e.g., through agreement scheming future dealings); employees hold down trade by troublesome the activity of their employer (e.g., through strike). It proposes that restraint for business occurs regularly, even in a free market system. It is often hard to differentiate between ordinary commerce dealings and trade-restricting agreements.

### **PUBLICITY AND ENDORSEMENT AGAINST ANTITRUST GUIDING PRINCIPLE**

A number of general guidelines and rules can be drawn from the discussion of federal antitrust laws.

**Dealings with opponent:**

1. Don't have the same opinion on and avoid arguing the following areas with any opponent:
  - Price setting up
  - Bid ropes
  - Market separation or Customer portion
  - Cluster Boycotts
  - Other agreement amongst competitor
  - Spotlight on Trade relations
2. As important if you are a member of a trade organization or similar group, be sure competent legal recommend monitor all the association meeting, program and activity.
3. Ass per norms we do not exchange sensitive business price with competitors devoid of guidance from company advice. Be able to show that you obtained in sequence on a opponent's price from some spring other than the contestant.
4. And also do not agree with any player to refuse to sell to convinced customers, or to buy from positive suppliers.

**Dealings with Customers**

The worst antitrust offenses are cartel violations, such as:

- Price fixing:
- Bid rigging:
- Customer allocation:

**CONCLUSION**

Schedule business decisions connecting prices, conditions and circumstances of sale, associates with suppliers and clients, advertising and many other business actions frequently have implications below the antitrust laws. These laws are complicated and unintentional violations can occur and consequence in considerable penalties. Thus it is essential to be conscious of the range of the antitrust laws and protector against likely violations.

We require antitrust laws to redress the basic contradiction of marketplace economics: opposition, which yields the finest products and maximum prosperity, tends to lead to hard work at monopolization and to trading abuses that can be checkered only by roasting regulation or well-conceived antitrust interference. Agreed, the antitrust laws are terrible, ruinous outrages that arise from an inextricable disagreement that they do not determine, and they involve us all in extravagant proceedings and anguish. But as economist we might have said that, the antitrust laws have the advantage of being improved than its all alternative.

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**Notes**

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