CONSUMER PROTECTION BILL 2019: A TAKE ON CELEBRITY ENDORSEMENTS UPDATE

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Safir Anand and Arushi Walia share their views on the recently passed Consumer Protection Bill 2019. The Bill has now been passed by the Rajya Sabha. It proposes strict measures to safeguard consumers and set up a body to promote, protect and enforce the rights. The insightful take away is the regulation of endorsements in the advertisements. While earlier the Advertising Standards Council of India (ASCI) Code governed ethical and misleading advertisements empathizing on celebrities' role in them; this Bill enforces penalty for misleading advertisements not only on the advertiser but also upon the endorser. The penalty amounts to INR 10 Lakh (approximately USD 14,000) and one year imprisonment to INR 50 Lakh (approximately USD 70,000) and up to 5 year imprisonment. There are various renditions of the penalty which are quite specifically detailed in the Bill to depend upon specific circumstances. The celebrities need to be more pro-active as they may as well be banned from endorsing the said product/service for up to 3 years. While the Bill has considered due diligence by celebrities/endorsers verifying veracity of the claims made in the advertisement as an exception to the penalties, we believe it has now become a matter of inevitability for the celebrities to enter into legally vetted agreements with the advertisers/publishers/manufacturers as well as be legally aware of the claims they make. **Safir Anand, Senior Partner – Anand and Anand is of the view that this amendment is akin to lifting of the corporate veil where a celebrity is being made accountable for what he endorses as best. A higher degree of care will need to be exercised from a consumer perspective particularly in matters relating to quality, durability, credibility, etc.**

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