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Misleading Product Labels and Trademarks: Evidence, Consumer Protection and Due Process

News: 18 November 2026 | Published: 18 November 2026
Mains: GS-II, regulators and consumer interests; GS-III, markets and information asymmetry; Prelims: CCPA, FSSAI and the Trade Marks Act



Original symbolic illustration: pcsmantra.com

Why is this in the news?

Mint reported on November 18 that the Department of Consumer Affairs was considering closer scrutiny of front-of-pack claims and trademarks across food, cosmetics and other consumer products. The report described a proposal to require evidence behind claims such as '100% whole wheat' and 'no added sugar'.

Status matters: this is a source-based report about a plan under consideration, not a final new notification or an order removing all such products. It describes a possible mechanism with DPIIT, stakeholder consultations and requests to correct labels.

Why a packaging claim is a policy issue

Shoppers often see a prominent front-of-pack claim before they examine ingredients or testing evidence. When a company knows more about composition than the buyer, information asymmetry arises. An unsupported claim can influence price comparisons and health-related choices.

The same words can function as advertising, a product description or part of a trademark. Calling an expression a brand name does not settle its consumer impact. The relevant legal framework and the overall impression created by the claim both need examination.

Three regulatory layers

The CCPA acts on misleading advertisements and unfair trade practices within the Consumer Protection Act, 2019 framework. FSSAI has a role in food safety, standards and relevant food claims. Trademark registration and validity fall under the Trade Marks Act, 1999.

These roles are not interchangeable. CCPA and FSSAI are different bodies; reviewing a food claim and removing a mark from the trademark register are different proceedings. Coordination is useful, but each action needs a legal basis and an appropriate procedure.

> **Related reading:** Food standards and regulatory federalism

An existing enforcement example: June's CCPA action

A PIB release dated June 21, 2026 confirms that CCPA imposed a penalty of Rs 1 lakh each on Storia Foods and Beverages and Mrs. Bectors Food Specialities over misleading '100%' claims. It also directed discontinuation of the relevant claims on packaging, websites and digital platforms. This was action under existing law, not implementation of November's proposed scrutiny plan.

CCPA emphasised that '100%' is an absolute numerical claim that must reflect factual composition. A qualification in small print cannot be assessed in isolation from the overall impression of the main claim. That is the regulator's published conclusion in those proceedings, not an automatic final finding in another pending case.

The Red Bull notice: a notice is not a final finding

A November 16 Hindustan Times report, based on a notice seen by Reuters, said FSSAI had given Red Bull seven days to respond over the 'energy drink' description. It reported questions about the substantial contribution of sugar to declared energy and the possibility of misleading consumers.

This is an opportunity to answer regulatory concerns, not a fresh final ban or a judicial finding of guilt. The report also says the Delhi High Court had set aside an earlier order for lack of a hearing and required reconsideration. A procedural reversal does not itself amount to final scientific approval of a claim. The original confidential fresh notice was not independently obtained for this article.

How trademark law connects

Section 9(2)(a) of the Trade Marks Act bars registration of a mark whose nature would deceive the public or cause confusion. Section 57 provides for variation or rectification of the register on specified grounds. Registration and subsequent validity can therefore raise distinct questions.

A reported scrutiny plan does not automatically cancel every mark. Trademark action, a recommendation to delist a product and a penalty for misleading advertising are separate outcomes. Each requires identifying the competent authority, grounds and due process.

Mains perspective: rights and fair procedure

Possible policy responses include retaining substantiation before making claims, displaying qualifications clearly, coordinating regulators and giving companies a meaningful opportunity to respond. These are analytical suggestions, not newly announced rules.

Consumer protection works best when claims are accurate and verifiable and enforcement is reasoned and consistent. Treating an investigation as proof of guilt is wrong, as is assuming that every trademark escapes scrutiny. Public health, informed choice and legal certainty for business need to be considered together.

Prelims Practice Questions

Question 1. Consider the following statements:

Statement 1: Section 9(2)(a) of the Trade Marks Act, 1999 bars registration of marks whose nature would deceive the public or cause confusion.

Statement 2: CCPA has acted against misleading '100%' product claims under the consumer protection framework.

Which of the statements given above is/are correct?

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 nor 2

▼ **Answer and Explanation**

Correct answer: (c)

Both are correct. Section 9(2)(a) addresses deceptive marks. PIB's June 21, 2026 release confirms CCPA action concerning Storia and Mrs. Bectors.

Question 2. How should a show-cause notice in the reported November 2026 Red Bull matter be understood?

(a) A final judicial conviction

(b) An opportunity to answer regulatory concerns, not a final determination

(c) Automatic cancellation of the trademark

(d) A new national ban on every caffeinated beverage

▼ **Answer and Explanation**

Correct answer: (b)

A notice provides an opportunity to respond. It should not be equated with a final ban, a judicial conviction or cancellation of a trademark.

Mains Practice Question

How do separate regulatory layers for advertising, product labels and trademarks affect consumer protection? Discuss with reference to recent developments. (150 words)

Answer Outline

Introduction:

Prominent packaging claims influence purchases; their overlapping role as advertisements and brand identifiers can complicate accountability.

Main Body:

Framework: the Consumer Protection Act and CCPA; food law and FSSAI; trademark registration provisions.

Gaps: coordination, claims framed as names, unclear qualifications and access to evidence.

Responses: testing and substantiation records, clear labels, coordinated scrutiny, reasoned orders and a hearing.

Status distinction: separate a proposed plan, a show-cause notice and a final order.

Conclusion:

Verifiable claims and fair procedure together support informed consumers and legal certainty for businesses.

Frequently Asked Questions (FAQ)

Is the reported November scrutiny plan already a final law?

Mint describes a plan under consideration. This article does not claim that a final new notification has been issued.

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Are CCPA and FSSAI the same body?

No. CCPA operates in the consumer protection framework, while FSSAI regulates food safety and standards.

Does trademark status automatically validate a misleading claim?

No. Trademark law also addresses deceptive marks. An individual case still requires proceedings before the competent authority.

Does the fresh Red Bull notice mean a final ban?

No. The report describes a request for a response. A notice and a final order are different.

Sources

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