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# COMPETITION IN THE AGE OF ARTIFICIAL INTELLIGENCE: POSITION IN INDIA

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## ABSTRACT

*This rise of Artificial intelligence (AI) has reshaped market dynamics, enhanced efficiency and benefiting consumer, while introducing challenges within competition law related to algorithmic transparency, accountability, and the risk of dominance abuse, which may lead to exclusionary and exploitative outcomes. This fundamental change, propelled by algorithmic models that impact incentives across various industries and the wider economy, poses a significant challenge to existing ex-post competition law frameworks that rely on human intent, enforceable agreements (whether implicit or explicit), and recognizable behaviours that can be penalized retrospectively. The EU, UK, and USA have implemented competition laws and regulations to address these matters, reflecting a legal response to changing demands and innovation. Competition authorities must consider various elements to successfully navigate these challenges in digital markets.*

*This research paper revolves around India's Competition Act 2002, highlighting the limitations in tackling AI-drive practices such as tacit collusion, self-preferencing, and data monopolization. By using a doctrinal and comparative method, it analyses Indian case law (such as the investigations of Google LLC and Amazon), international frameworks and interdisciplinary materials concerning the risks posed by AI. Significant findings highlight enforcement gaps due to the opacity of algorithms and the necessity for reforms, which should include ex-ante regulations, strengthened capabilities for the CCI, and international collaboration. The paper suggests a hybrid strategy to ensure equitable markets, balancing innovation with consumer protection in economies integrated with AI.*

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**KEYWORDS:** *Digital Market, Abuse, Dominant Position, Competition Law, Artificial Intelligence, Technology, etc.*

## INTRODUCTION

There is no universally accepted definition of AI. Some people define it in a broad sense as a computer-based system that demonstrates behaviours typically associated with intelligence, while others view it as a system capable of logically resolving complex issues or taking suitable actions to meet its objectives in real-world scenarios. AI systems have received considerable recognition from the global community and organizations like WIPO (World Intellectual Property Organization). In fact, countries such as Australia and Canada have implemented AI systems in their Patent offices to assist in performing semantic searches and to gather, refine, and analyze extensive datasets. AI has revolutionized the technology landscape, creating possibilities that were previously thought to be unattainable. This shifts traditional expectations for human labour in business operations. Algorithms, which are essential components of AI, facilitate reasoning to tackle issues in areas such as production management, market data collection, and market data collection, and market adaptation through analysis. However, this integration raises significant concerns in competition law, particularly regarding behaviour that may undermine market fairness, such as algorithmic collusion and the abuse of power by digital platforms.

In India, the competition Act 2002 serves as the basic legislation for regulation anti-competition, protect market integrity, defend consumer rights and preserve trading freedom. Nonetheless, its framework, established prior to the advent of AI, encounters difficulties in addressing the complexities of algorithmic opacity and autonomous decision-making, as evidenced by cases like ***Google LLC v. CCI*** and recent inquiries involving Amazon and Flipkart.

The introduction of AI inro markets introduces unique hazards Algorithms, described as methods for AI to reason and solve problems, enable immediate market monitoring and price adjustments that could lead to collusive agreements. For instance, the ***Samir Agarwal v. ANI*** technologies case highlighted the challenges the CCI faces in identifying hub-and-spoke collusion within ride-sharing services, while the Airlines Industry Cartel case revealed driven by algorithms. On an international level, dominance driven by AI, as seen in Google's search

algorithms and Amazon's marketplace tactics, underscores the need for transparency to illuminate "black box" systems and accountability to address damages caused by algorithms.

Practices like self-preferencing where platforms favour their own offerings and data-driven barriers, which strengthen market power through feedback loops, threaten consumer options and hinder market entry. This research examines the intersection of AI and competition law in India, focusing on three crucial elements: algorithmic transparency, accountability, and the abuse of the dominance. Using a doctrinal and comparative approach, it assesses the provision of the competition Act alongside global frameworks. Cases like Google Shopping and inquiries into Amazon market place illustrate how AI promotes long-term dominance through data analysis and algorithmic bias. The report argues that Indian's current framework, which is based on traditional economic theories, is unprepared to face the special difficulties brought by AI, necessitating reforms like as proactive laws, expanded CCI capacities, and international engagement. For effectively implement antitrust regulations against AI-driven dominance, international corporationis required for standardising algorithmic transparency and regulating cross-broader data governance. By cooperating with organisation like the OECD and encouraging collaborative investigations, India may close regulatory gaps and ensure uniform.

**Why do people use artificial intelligence?**

A common economic activity requires a great deal of human talent and effort, but the development of AI has allowed humans to alter this requirement. AI reduces risk and improves accuracy. A professional can use AI technologies to make decisions and access masses of precise data that are impenetrable and unavailable. This implies that choices made by artificial intelligence systems may ultimately determine the corporate portfolios.

**What is Algorithm?**

An algorithm is a method by which artificial intelligence applies reasoning to determine asolution to a problem. Algorithms have several uses in modern company operations, including production control, market data collection, and self-learning through market situation monitoring.However, incidents of algorithmic collusion or suspicions are frequently sparked by this usage of algorithms in commercial action.

**THE WISDOM BEHIND THE COMPETITION ACT, 2002**

After analysing the Act's Preamble, it can be concluded that, given the nation's economic developments, the main goals of the Act are to prevent practices that could hurt competition, to encourage and support market competition, to safeguard consumer interests, and to successfully guarantee the freedom of trade practiced by different market participants. To put it simply, the law prioritises protecting consumer interests over merely enforcing free trade agreements.

The Commission's quick disposition and time-bound agenda would actually jeopardise attempts to liberalise the Indian economy to meet the standards set by the best economies of this century. Lack of clarity regarding ideas not covered by the Act will, as a natural corollary, result in risky and undesirable circumstances if cases are not resolved promptly. A quick resolution of cases might not be feasible because the Act's provisions do not foresee a market influence through AI.

In fact, the Act aims to maintain and encourage competition in the market in addition to exposing actions that negatively impact it. According to axiomatics, efficient enforcement is crucial for both penalising anti-competitive behaviour and prevent additional anti-competitive behaviour.

- The CCI has a crucial responsibility to make sure that the factors that have the potential to destroy fair competition in the market are reduced.
- The CCI must make sure that consumers realise the benefits of strong competition.
- Consequently, the CCI needs to address the issues of competition brought up by technology advancements, particularly AI's capacity to impact and forecast supply and demand.

AI has the capacity to recommend predetermined behaviour, which could inevitably impact the market's spirit of competition.In order to address AI's impact in the current situation, it would be ideal if the relevant authority created regulations that set a clear deadline for finishing the investigation, inquiry, and ultimate resolution of the issues that are still pending before the Commission. The court must allow them to use machine learning and AI technologies to develop ways to stop anti-competitive behaviour until particular regulations are draughted for AI. It is the responsibility of the state to stop *'cartel formation'* and *'price inflation'* as companies are primarily encouraged to form cartels.

The unjustified repercussions of competitive malpractices shouldn't affect customers. AI technology currently presents dangers like consumer infidelity and other obstacles to the competitive market. A fair market's core is encapsulated in the Act. But as time has gone on, the current framework of competition law is not equipped to effectively handle antitrust issues brought up by artificial intelligence.

## INDIA'S COMPETITION LAW FRAMEWORK

*Section 3(3)*[2] of the Competition Act must be examined in order to determine whether India's Competition Act can handle algorithms that use logic to collude or self-learn algorithms. Collusion is covered by such clause. Three parts can be distinguished in this section: It will be assumed that any *"agreement entered into," "practice carried on,"* or *"decision taken by"*

(i) "person or association of person or enterprises or association of enterprises"

(ii) that "directly or indirectly determines purchase or sale prices" will have a significant negative impact on competition (AAEC).

When we examine its use, we find that AAEC is implied in Section 3(3) and does not require proof. Since the third component of the test involves a factual determination, the first two conditions still need to be examined.

## INDIA'S EXPERIENCE WITH ALGORITHMS

India has also seen algorithmic collusion to a certain degree. The two instances when algorithmic collusion was investigated serve as an instance of this experience. In the first, the potential hub-and-spoke arrangement was examined in ***Samir Agarwal v. ANI Technologies Pvt. Ltd.***[3]Where the Competition Commission of India noted that as there was no agreement for the platform to coordinate prices between the parties or to fix prices through the platform, a hub and spoke could not exist.

The second is the recent ***Airlines Industry Cartel case***[4]**,** in which several domestic airlines operating in India were accused of engaging in cartelisation. Here, the Director General looked at how these airlines' software uses algorithms and how it affects ticket prices. The CCI noted that the methodology and final ticket price were decided by the staff members of

[2] Competition Act, 2002 §3(3).
[3]Samir Agarwal v. ANI Technologies, Case No. 37 of 2018.
[4]Airlines Industry Cartel, Case No. 32 of 2016.

each airline's revenue management team, and that the software's involvement was restricted to helping the team identify a price that would generate the most income.

The preceding instances show that even though hub-and-spoke agreements have been exposed to India's competition law, the country's system for competition law has not confronted foreseeable agent or digital eye algorithmic collusion. This calls for a review of the Competition Act of 2002's ability to adequately regulate such algorithms.

## DETERMINING THE POSSIBLE RISKS TO COMPETITIVE MARKETS THROUGH ARTIFICIAL INTELLIGENCE.

The technological characteristics of technology industries distinguish them from more conventional industries. First, as a result of rapid innovation, technology markets are dynamically driven. Those that attempt to use dominance to gain market power may find it difficult to keep up with the swift and steady rate of technological advancement. A companies' market power in certain markets can prove to be fleeting. Second, companies that rely on the massive collection and processing of big data in almost real-time are able to provide a wide range of tailored and innovative services. The benefits of technology do, however, come with a risk of market dominance by other entities through innovation itself. AI is undoubtedly an invention that could lead to market dominance.

## ALGORITHM COLLUSION

In terms of horizontal evaluation, academic and policy forums are beginning to recognise the role of algorithms and artificial intelligence in collusion. One such example is the***Erie Railroad Co. v. Tompkins case***[5]**.** In order to prevent competition, Amazon poster vendors employed pricing algorithms that synchronised prices. Despite the obvious coordination involved in this example, it sparked worries that algorithms in the future might figure out how to conspire on their own without any human intervention.

Human shortcuts for instructing machines are called algorithms. An algorithm essentially uses a *"and," "or,"* or *"not"* expression to instruct a computer on what to do next. Finding strategies to stop self-learning algorithms from colluding will be extremely challenging given the 2002 Act's obsolescence. For competition law enforcement, this may be one of the most difficult assignments they have ever encountered.

[5] Erie Railroad Co. v. Tompkins, 304 U.S. 64 (1938).

The discussion on regulating AI through antitrust or competition laws is still in its infancy. It goes without saying, though, that competition law is relevant in the data realm. It is hard to overlook the possible role of competition law in the governance of data collection and processing practices given the data-driven mergers and acquisitions like Yahoo-Verizon, Microsoft-LinkedIn, and Facebook-WhatsApp, which have required proactive attention from the competition law enforcement bodies.

## PREDATORY PRICING

*'Predatory pricing'*another kind of exploitation, in which businesses undercut rivals in real time using AI-driven dynamic pricing models. AI has the ability to continously modify prices in response to market conditions, which makes it more difficult to demonstrate predation than traditional predatory pricing, which is frequently transient and observable. Indian food delivery platforms have drawn criticism for allegedly adopting high pricing practices that harm smaller and newer comers.

In digital ecosystem, AI also facilitates tying and packaging activities. For example, by merging many services such as email, video, maps, and search, google keeps customers hooked into its ecosystem while limiting competitor's opportunities. Reliance jio is making similar efforts in india, merging telephone service, shopping, payment into a single system with its "super app" plan.

## FAIRNESS

The principle of *'fairness'*plays important role at the intersection of AI and Unfair Competition law (UCL), which may appearunconnected apart from their shared terminology. Although AI is frequently associated with equality and the preventation of discrimination, UCL focusses on protecting competition and related interests. Both notions are fundamentally open and ambiguous, and the misuse of AI can harm competition, particularly in antitrust scenarios such as algorithmic collusion. However, UCL's comprehensive prohibition on unfair can handle new and unanticipated anticompetition threats. UCL's extra regulation of antitrust law is one example of how it contributes to promoting a fair market place. In particular, UCL can resolve competition concerns that do not meet the antitrust criteria for market dominance, particularly in data-driven industries.

However, it is critical to use prudence so as not to overturn or undermine definite antitrust findings on the legality od specific behaviours. If the present understanding od UCL priorities competition protection in its teleological focus, its broad provision can serve as a platform for addressing AI-related market failures that are not covered by antitrust law.

## TRANSPARENCY

*'Transparency'* is a fundamental principle in the regulation of AI. There is a strong desire for clarity regarding both the role of AI in decision-making (as opposed to decisions made solely by humans) and the specific processes through which AI arrives at conclusions, commonly referred to as the *'black box'* issue, which has sparked interest in creating *'explainable AI'*. Transparency manifests in various ways, with one significant aspect being market transparency. The primary framework for ensuring market transparency is UCL, which forbids deceptive commercial practices. According to the relevant legal criteria, it is crucial to determine whether a decision's origin is algorithmic or human, and whether this influences consumers' purchasing choices.

## ACCOUNTABILITY

One of the most important legal difficulties related with artificial intelligence is holding firms 'accountable' for the harm caused by their AI without human intervention. A prime example of this issue is when an autonomous car injures pedestrians. However, AI may autonomously infringe on intellectual property rights or undermine competitiveness. In the context of UCL, the emphasis is on determining culpability for unfair business activities carried out directly by AI or with its aid. The current academic discussion has correctly underlined the necessity for a comprehensive framework that addresses these attribution difficulties and pulls together the disparate legal notions surrounding's secondary liability. When building such a framework with a specific focus an AI, it is prudent to rely on current legal concepts and draws on the numerous models that various legal systems have developed for culpability attribution. UCL can be one of these prominent legal frameworks.

## EVALUATION OF EXISTING ANTITRUST STRUCTURES IN RESPONDING TO AI-DRIVEN ABUSE OF DOMINANCE

The Competition Act of 2002 in India, especially *Section 4*[6], prohibitbusiness from abusing their dominant position by defining dominance in terms of market share, size, resources, and entry obstacles. The act defines numerous sorts of abuse, including unfair pricing, production limitations, market dominance to gain entry into another.These policies, which stem from earlier economic frameworks such as the Monopolies and Restrictive Trade Practices Act of 1969, however, reveal severe flaws when applied to enterprises powered by AI technology. The ambiguity of AI algorithms, also known as "black boxes", makes it difficult to show intention or anti-competitive effects, especially given criteria for algorithmic transparency in Indian laws. For example, Competition Commission of India faces challenges with data serving as a non-price barrier to entry. AI depends on extensive datasets, producing network effects that further solidify dominance without resorting to conventional predatory pricing.

In the case of ***Competition Commission of India v. Google LLC,*** the CCI imposed a fine of ₹1,337 crore on Google for exploiting its 98% market dominance in India's Android operating system by tying the Google Play Store to pre-installed applications like Chrome and YouTube, and for limiting forked versions of the OS. This case invoked the concept of *"leveraging dominance"* according to *Section 4(2)(e)*[7], yet aspects of AI, such as personalized search algorithms that enhance user lock-in, were insufficiently examined, exposing a gap in evaluating algorithmic biases. In a comparable case within the EU concerning ***Google Shopping,*** the Court declared a fine of €2.42 billion, the European Commission used *Article 102 of Treaty on the Functioning of European Union*[8] to sanction self-preferencing in search results, wherein AI-based ranking mechanisms promoted Google's shopping service above its competitors. Indian regulatory frameworks do not have similar pre-emptive regulations like the *EU's Digital Markets Act 2022*, which requires transparency in gatekeeper algorithms, highlighting enforcement gaps in cross-border AI markets.

Enforcement methods also fall short in terms of accountability. Self-preferencing via AI-recommended listings favouring Amazon's private labels is the focus of CCI's investigations, such as the current ***Amazon Seller Services Pvt. Ltd. Investigation***[9] which began in 2020 and included raids in 2022. However, proprietary algorithms make it difficult to establish

[6] Competition Act, 2002 §4.
[7] Competition Act, 2002 §4(2)(e).
[8] Treaty on the Functioning of European Union, art. 102.
[9] 2020 SCC OnLine CCI 33.

causation. The ***United Brands v. Commission***[10]**,** principles of exorbitant pricing and unjust terms don't apply well to AI's dynamic pricing, because algorithms change in real time to avoid rigid definitions. Gaps include limited remedies and an unclear definition of the *"relevant market"* for AI ecosystems; fines under *Section 27*[11] are post-hoc and do not address real-time harms such algorithmic collusion, as suggested in OECD reports. According to Statista, 70% of digital platforms will have AI integrated by 2025, meaning that these shortcomings run the risk of unbridled domination and call for reforms such as proactive audits and data-sharing requirements.

## SELF-PREFERENCING AND LEVERAGING THROUGH AI

In AI-driven markets, *'self-preferring'* has become one of the most contentious abuses. *'Self-preferring',* in which platforms give their own items an unfair advantage, is one major worry. For instance, Amazon has come under fire for allegedly exploiting seller data to advertise its own private-label products. By enabling platforms to evaluate enormous datasets and make very accurate predictions about consumer preferences, artificial intelligence (AI) enhances this technique and guarantees that private-label products show up prominently in search results. Similar to this, Google has been accused all over the world of giving preference to its own services, including Google Shopping, in search results.

In the same ecosystem, multifaceted platforms like Amazon function as both competitors and marketplace operators. It is possible to construct AI-driven search algorithms, ranking systems, and recommendation engines to favour the platform's own goods while maintaining an impartial appearance for users. According to the *Amazon Marketplace probe* (European Commission, 2020), Amazon developed rival private-label items by using its dual role to get non-public data from third-party vendors. Amazon was able to foresee market trends, make dynamic price adjustments, and consistently undercut rivals thanks to AI analytics. Without AI's ability to forecast, such leverage would not be feasible.

In the ***All-India Online Vendors Association v. Flipkart & Amazon***[12]**,** India encountered comparable issues where the sellers claimed that particular vendors were given preferential treatment and that algorithms were used discriminatorily in product placement. The idea is

[10] United Brands v. Commission, (1976) Case 27/76.
[11] Competition Act, 2002 §27.
[12] All-India Online Vendors Association v. Flipkart & Amazon,Case No. 20 of 2018.

clear, even though investigations are still ongoing: AI can be used to harm third-party vendors and skew customer choice in ways that are not immediately apparent.

***MakeMyTrip,*** a well-known online travel service, was accused in the ***MakeMyTrip-OYO*** lawsuit of entering into anti-competitive agreements with OYO that barred other hotel aggr[13]egators. In the end, CCI concluded that MMT's requirements for exclusivity and parity adversely impacted both hotel proprietors and guest by constraining competition. while this may not be a direct "AI" instance, it illustrate how platform algorithms responsible for ranking and showcasing hotels may transform contractual restrictions into market foreclosure.Algorithmic system can enforce anti-competitive agreements, exemplified by the risks of a hotel that breaches MMT's regulations being ranked lower or omitted entirely. This relates to the case of ***Microsoft Corp. v Commission of the European Communities,*** where the company was fined for bundling its media player which highlights the jurisprudence on leveraging dominance across markets. Leveraging is more subtle but more effective with AI because of algorithmic biases, data-driven predictions, and visibility control.

**DATA'S FUNCTION IN AI MARKETS**

AI relies heavily on data. By analysing large datasets, AI algorithms in digital markets learn and develop, allowing platforms to offer dynamic pricing, tailored recommendations, and targeted advertising. The effectiveness of the AI system increases with the size of the dataset. This establishes a dominant feedback loop:

- More data is produced by more users.
- Algorithms become more accurate with more data.
- More users are drawn to algorithms that are improved.
- Consequently, additional data is generated.

Because smaller competitors cannot compete without comparable numbers and diversity of data, this cycle produces what academics refer to as a *"data-driven barrier to entry."* These barriers are dynamic, self-reinforcing, and challenging to remove, in contrast to more conventional entry barriers like capital costs or regulatory obstacles.

Artificial intelligence-based self-preferencing is a novel kind of abuse that differs from conventional methods. In contrast to obvious and quantifiable predatory pricing or tying,

13Microsoft Corp. v Commission of the European Communities 2007; T-201/04

algorithmic self-preferencing functions covertly in the background. Bundling and cross-market leverage were punished in the ***Microsoft (2007, ECJ) case,*** which is consistent with more general doctrine. But in the context of AI, exclusion occurs not because of explicit contracts but rather because of data-driven curation and decision invisibility.

## GLOBAL PERSPECTIVES ON ABUSE OF DOMINANCE AND ALGORITHMIC TRANSPARENCY: INSIGHTS FOR INDIA

The issues of algorithmic opacity, platform dominance, and AI-driven market distortions are posing difficulties for competition regulators in several countries.

- In the **European Union,** the **Digital Markets Act, 2022(DMA) of the European Union** is the most extensive ex-ante framework. In addition to imposing duties such guaranteeing equitable ranking of third-party services, prohibiting self-preferencing, requiring interoperability, and requiring openness in advertising algorithms, it labels specific platforms as *"gatekeepers."* Therefore, the DMA transfers the responsibility from ex-post enforcement of individual cases to proactive control of structural hazards that are inherent in digital markets. Since gatekeeping effects are greatest in app stores, e-commerce platforms, and search engines, this model emphasises the significance of creating sector-specific requirements for prominent digital intermediaries in India.
- In the **United Kingdom,** coordinated regulation of digital platforms is the focus of the **Digital Regulation Cooperation Forum (DRCF),** which is a partnership of the **Competition and Markets Authority (CMA),the Information Commissioner's Office (ICO),** and **communications regulator Ofcom.** Its strength is in the way it integrates the views of data privacy, consumer protection, and competitiveness.

In contrast to the DMA, the UK's approach is less strict and places more emphasis on institutional coordination and soft-law instruments including market research, guidelines, and codes of behaviour. With its overlapping regulatory ecology (CCI, TRAI, RBI, MeitY), India may use the DRCF model as a paradigm for cross-sector cooperation in tackling algorithmic harms without fragmented or redundant enforcement.

- In the **United States,** the antitrust enforcement is still ex-post and based on litigation. The **Department of Justice (DOJ)** and the **Federal Trade Commission (FTC)** have

brought well-known actions against Google, Amazon, Apple, and Meta, concentrating on exclusionary practices such tying, monopolising app distribution, and self-preferencing.

The US approach uses broad judicial interpretation of antitrust law to adjust to new digital realities, even though it does so more slowly than the EU's proactive structure. Through persistent litigation in AI-driven dominance instances, India can develop a jurisprudential basis and enhance its case law under Section 4 of the Competition Act.

These global approaches cumulatively show that India need a *'hybrid strategy'* that includes strong ex-post enforcement to provide doctrinal clarity (like the US), coordinated institutional control (like the UK), and ex-ante duties for gatekeeper platforms (like the EU). In this way, algorithmic opacity will be addressed while maintaining the adaptability of Indian competition law.

## REGULATORY CHANGES TO PROMOTE GLOBAL COLLABORATION IN ANTITRUST ENFORCEMENT AGAINST AI-RELATED DOMINANCE

Artificial intelligence presents fundamental global challenges for competition law enforcement. Platforms powered by AI function flawlessly across borders, take advantage of international network effects, and harness cross-border data flows. Because they operate in silos, national authorities find it difficult to counteract the dominance of digital companies whose market clout transcends national borders. International collaboration is thus necessary to guarantee efficient antitrust enforcement against abuses of dominance connected to AI.

- **Standardisation of Laws**

The first change is the eventual unification of competition law rules concerning algorithmic behaviour. Currently, different countries have different policies. The US prioritises ex-post litigation under antitrust laws, whereas the EU uses ex-ante frameworks like the Digital Markets Act. In the absence of any degree of alignment, businesses could locate their activities in countries with laxer regulation, taking advantage of regulatory arbitrage. On crucial topics like algorithmic transparency, self-preferencing, and discriminatory pricing, convergence may be ensured by establishing baseline standards through organisations like the International Competition Network, OECD, or G20.

- **Mechanisms for Cross-Border Data Governance and Sharing**

Since privileged access to large datasets is frequently the source of AI supremacy, data governance is essential to competition policy. To allow regulators to evaluate cross-border anti-competitive conduct, nations should create bilateral and multilateral agreements on cross-border data exchange. While balancing privacy and sovereignty issues, a worldwide structure akin to trade agreements might guarantee that data localisation regulations do not impede lawful regulatory cooperation. This is especially crucial in cases when consumers in one jurisdiction are impacted by AI algorithms taught in another, as is the case in international digital advertising marketplaces.

- **Cooperation between law enforcement and joint investigations**

Regulators should pursue cooperative investigations in situations of alleged algorithmic collusion, unfair pricing, or self-preferencing, given the global activities of Big Tech companies. Similar to current collaboration in cartel enforcement, the European Commission, US FTC, and Asian competition regulators may form a joint task force addressing AI-related antitrust issues. In order to stop businesses from taking advantage of enforcement loopholes, such cooperation would enable the sharing of technical knowledge, the sharing of evidence, and coordinated remedies.

- **Market design and coordinated remedies**

Fragmented remedies run the danger of being inconsistent, even if authorities are successful in identifying misuse. Loopholes arise, for instance, when a structural separation is enforced in one jurisdiction but not in another. Global policy reform should therefore promote coordinated solutions that can be applied across borders, such as common standards for data portability, interoperability, or algorithmic audits. This would provide uniform consumers protections across the global while cutting compliance costs for businesses.

## RECOMMENDATIONS:

AI is becoming increasingly important in digital marketplaces, but this integration offers new hurdles for competition law enforcement. Although the Competition Act 2002 effectively handles traditional anti-competitive behaviours, it falls short in dealing with modern challenges such as AI-driven collusion, self-preferencing, and data monopolisation. To keep India's competition framework up to date and flexible to the changing terrain of digital markets, the followings suggestions are made, inspired by global trends.

i. **Algorithmic Abuse Recognition under the Competition Act:**

The first step is to formally define "algorithmic abuse" as anti-competitive behaviour under India's competition law framework. Section 4 of the competition act should be revised to clearly encompass tactics such as algorithmic collusion, data-driven entry obstacles and AI-enable discriminatory pricing. Classifying algorithmic abuse as a separate ground for liability would bring Indian law closer to moder international standards, which require regulatory platforms to maintain transparency and prohibits self-serving practices. India has already taken measures in this regard with the Draft Competition Bill 2024, which includes ex-ante restrictions for "systemically important digital intermediaries".

ii. **Empowering the Competition Commission of India:**

To handle AI, the CCI must be technologically capable, this requires the establishment of a dedicated digital markets sections with expertise in algorithmic forensics, data science, and AI audits. Significant platforms should be obliged to conduct algorithmic transparency audits, just as the GDPR requires data protection impact studies. Furthermore, in order to prevent, multinational firms from viewing Indian fines as minor business expenses, penalties must be revised to account for global turnover rather than just Indian revenue.

iii. **Fostering Accountability and Transparency:**

The *"black box"* character of algorithmic decision-making is a persistent problem with AI. To tackle this issue, it should be mandated that explainability becomes a regulatory standard, especially for AI applications used in recommendation engines, dynamic pricing, and search result rankings. Companies ought to be required to reveal the fundamental principles guiding their algorithmic curation to prevent consumer choices from being subtly influenced without their awareness. Additionally, frameworks for accountability need to clarify who is responsible when AI systems exhibit anti-competitive behaviour without direct human involvement.

iv. **Encouraging Global Cooperation:**

Because AI-powered platforms are global, unilateral regulation will be insufficient. India should also strengthen its partnership with global organisations such s the OECD, UNCTAD, and the international competition network in order to develop common international standards for algorithmic openness and data sharing.

Harmonised international measures, such as mandated interoperability standards and universal algorithmic audit requirements, are critical for avoiding regulatory loopholes and maintain consistency across jurisdictions.

## CONCLUSION

The combination of AI and Competition law is a significant regulatory challenge. AI techniques such as dynamic pricing, predictive analytics, and self-learning algorithms are reshaping markets in ways that traditional rules cannot easily handle. India's competition Act 2002 addresses cartels, collusion, and abuse of dominance, however it falls short on data-driven entry barriers, algorithmic collusion, and self-preferencing.

In contrast UK takes a cooperative regulatory approach, but the European Union's Digital Markets Act addresses digital dominance aggressively. India requires a hybrid paradigm that includes ex-ante duties for "systematically important digital intermediaries" under the Digital Competition Bill of 2024 as well as stronger ex-post enforcement under the Competition Act.

As AI-driven markets are global, international collaboration-via shared standards, cross-broader data governance, and collaborative investigations is essential. Domestically, competitive neutrality necessitates algorithmic audits. AI-powered CCI investigations, and adaptable solutions. The goal is to strike a balance that allows for AI-driven innovation and customer welfare while also preventing manipulation and sustaining fair digital markets.