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ABUSE OF DOMINANCE AND PATENT RIGHTS: CASE STUDIES AND REGULATORY FRAMEWORK

Tarushi Acharya[1], Prof (Dr.) KB Asthana[2]

[1]Research scholar, Maharishi Law School, Maharishi University of Information Technology
[2]Prof & Dean, Maharishi Law School, Maharishi University of Information Technology

tarushi.acharya@gmail.com[1]
dean.mls@muit.in[2]

Abstract
The study explores the intersection of abuse of dominance and patent rights by analyzing case studies and regulatory frameworks. The objective is to comprehend how dominant companies have utilized their patent rights to suppress competition and assess the effectiveness of existing restrictions in preventing such actions. The methodology employed in the study is qualitative, involving the evaluation of prominent case studies from various countries to discern recurring instances of misconduct and corresponding regulatory actions. The findings highlight multiple instances of corporations utilizing patent portfolios to maintain market dominance, resulting in the creation of hurdles for potential new entrants due to ongoing disputes. This study asserts that the current regulatory frameworks, while in existence, suffer from inadequate enforcement and require regular modifications to effectively address the changing complexities of antitrust issues associated to patents.

Keywords: Abuse of Dominance, Patent Rights, Anti-Competitive Practices, Competition Act 2002.

1. Introduction

Abuse of dominance is significant in contemporary times. It is said to happen when a consortium of businesses or a solitary business utilizes its prevailing position in the pertinent market in an exploitative method. Thus, in order to ensure fairness in the market, the Competition Act of 2002 incorporated the notion of abuse of dominance. Section 4 of the statute expressly addresses the issue of misuse of dominating power.[1] Abuse of dominance is a prevalent and unlawful conduct. It is crucial to understand that it is not the dominant position itself that is criminal, but rather the act of abusing that power. This type of mentality is highly incompatible with the efficient operation of the Single Market. If it hampers the smooth functioning of trade between nations, it is strictly prohibited. This scenario involves a company possessing a position of significant economic power, enabling it to impede and limit the entry of smaller firms into the EU market.[2] The European Commission is often regarded as a stringent enforcer when it comes to allegations of abuse of dominance.[3] The European Commission (EC) filed a case against E.ON, the largest German utility business, for the abuse of dominance and its consequences. In 2008, the European Commission accused E.ON of deliberately reducing the amount of power available for sale in the German wholesale market in order to increase prices. In addition, the Commission expressed concerns that E.ON may have shown preference towards its manufacturing affiliate when it comes to providing

[1] S. Radhu & P. Tare, Abuse of Dominance: A Comparative Study of India, USA and United Kingdom (2019).
[2] M. Marginean, Positive and Negative Effects Analysis in Abuse of Dominance, 17 USV Ann. Econ. & Pub. Admin. 128 (2018).
[3] F. Dethmers & J. Blondeel, EU Enforcement Policy on Abuse of Dominance: Some Statistics and Facts, 38 Eur. Competition L. Rev. 147 (2017).

balancing services, and then transferring the associated costs to consumers.[4] The incidents of abuse of dominance primarily include quasi-monopolies that exploit their position acquired from past or present state-ownership and/or backing to generate high profits. The regulations regarding the abuse of dominance have been implemented by conducting thorough examinations of economic facts and analysis, as well as by consulting professionals in fields such as accounting, marketing, and industry.[5]

The inadequate implementation of the MRTP Act in dealing with the simultaneous issues of cartels, predatory pricing, and abuse of dominant position necessitated the enactment of the ―Competition Act, 2002‖. The ―Indian Competition Act, 2002‖ applies the same rules against ―anticompetitive agreements and abuse of dominance‖ to IP-related commercial practices. Abuse of dominance assessments primarily revolve around pricing and often concentrate on a single market rather than numerous markets.[6] The issue of patent thickets is frequently cited as a strong justification for substantial changes to the patent system and licensing rules. As a result, competition authorities have resorted to enforcing "abuse of dominance" regulations to decrease licensing prices.[7] Standard patents are crucial in comparison to ordinary patents due to their necessity in implementing standards, which often involve the use of inventions protected by relevant SEPs. These patents possess a potential monopoly nature, allowing the right holder to pursue the maximization of their own value through the standard essential patent. Currently, the European Union does not have any legislation specifically addressing standard essential patents (SEPs). However, the issue of potential abuse of dominant positions in relation to SEPs falls under the jurisdiction of ―Article 102 of the Treaty on the Functioning of the European Union (TFEU)‖.[8]

1.1 Abuse of Dominance in Anti-trust Laws

In the realm of abuse of dominance, as defined by sections 78 and 79 of the Competition Act, regulations restrict tactics that reduce competition by removing competitors from a market, putting them at a disadvantage by increasing their expenses, or forcing them out by exploitative methods.[9] The Competition Act, 2002 has incorporated new terms that were not previously included in the MRTP Act, such as ―anti-competitive agreements‖, enterprise, combinations, cartels, and‖ abuse of dominant position‖. The civil aviation sector is characterized by numerous anti-competitive behaviors, including price fixing, predatory pricing, cartelization, and abuse of dominant position. Only a small number of instances of suspected anti-competitive conduct in the field of civil aviation are actually brought to public attention.[10] After identifying a potential anti-trust issue, competition authorities focus on determining the specific market in which the company operates.

[4] T. Duso, F. Szücs & V. Böckers, Abuse of Dominance and Antitrust Enforcement in the German Electricity Market, 92 Energy Econ. 104936 (2020).

[5] S. Roberts, Administrability and Business Certainty in Abuse of Dominance Enforcement: An Economist‘s Review of the South African Record, 35 World Competition 2 (2012).

[6] F. Bostoen, Online Platforms and Pricing: Adapting Abuse of Dominance Assessments to the Economic Reality of Free Products, 35 Computer L. & Security Rev. 263 (2019).

[7] P. Rey & D. Salant, Abuse of Dominance and Licensing of Intellectual Property, 30 Int‘l J. Indus. Org. 518 (2012).

[8] S. Liu, Patent Rights for Standard Essential Patents and Abuse of Dominant Position (2024).

[9] E. M. Iacobucci & R. A. Winter, Abuse of Joint Dominance in Canadian Competition Policy, 60 U. Toronto L.J. 219 (2010).

[10] Y. Shukla, The Effect of Competition Law and Abuse of Dominant Position on the Civil Aviation Sector-A Comparative Study (2021) (Doctoral dissertation).

To ascertain whether the undertaking in question is a dominating player and has engaged in alleged abuse of dominance, the case will be analyzed under ―Article 102 of the Treaty on the Functioning of the European Union (TFEU)‖. To establish this dominance, the key requirement is to identify the relevant market as a criterion. It is possible for a single corporation to operate in several markets; therefore it is crucial to determine the market in which it has control in order to identify any abusive behavior. Hence, the determination of market definition is always essential in dominance instances as it provides a means to assess substitutability, thereby gauging the level of competitiveness of a company.[11]

Antitrust law is a constantly evolving field that undergoes frequent and swift modifications. Various industries and situations have their own specific antitrust statutes, which may also exist at the state level. It is possible for these statutes to overlap in their applicability. Consulting practice guides that are tailored to the particular type of organization or jurisdiction can assist in identifying these occurrences. Enforcement agencies are also valuable sources of pertinent regulations. The website of the Federal Trade Commission offers a compilation of antitrust statutes.[12] Antitrust legislation aims to prevent and rectify actions that negatively impact competition, such as exclusionary practices employed by dominating platforms. Such behavior can be deemed illegal under U.S. antitrust law if it is carried out through an agreement, if it is carried out by a dominating corporation (one that possesses what the law refers to as "monopoly" power), or by a major firm that has a significant likelihood of attaining monopoly power.[13] Therefore, the implementation of antitrust legislation on patent consolidation is expected to have a favorable impact on the development of subsequent innovations by the competitors of the firm that consolidates patents.[14]

1.2 Exploring Patent Rights and Patent laws

Internationally, patent law is a partially unified field of law. The initial global conference on patents was the Paris Convention, which was signed and approved in 1883 and currently has 176 participating nations. Most national legislatures have depended on the Paris Convention for guidance, as it forms the basis for numerous multilateral treaties and conventions. EU law does not establish harmonization of patent law. The significance of a patent lies in its ability to safeguard the exclusive rights to an innovation. The exclusive rights serve as a motivation for innovators to create by providing them with the privilege of being the only ones who may commercially use their creation.[15]

A standard essential patent possesses the attributes of a conventional patent right, employed to safeguard the technology encompassed within the standard. It falls under the classification of intellectual property and requires safeguarding. In patent law, it is assumed that when a patent is filed, the invention has been "reduced to practice," which means that it has been demonstrated to work. It is a fact that the majority of inventions are unlikely to function properly,

[11] K. Bhatt, Google: An Interminable Friction of Abuse of Dominance-A Comparative Study Between the EU and India, 26 IOSR J. Hum. & Soc. Sci. 56 (2020).
[12] K. Lacy, Researching Antitrust Law (2024).
[13] J. B. Baker, Protecting and Fostering Online Platform Competition: The Role of Antitrust Law, 17 J. Competition L. & Econ. 493 (2021).
[14] S. Kwon & A. C. Marco, Can Antitrust Law Enforcement Spur Innovation? Antitrust Regulation of Patent Consolidation and Its Impact on Follow-On Innovations, 50 Res. Pol'y 104295 (2021).
[15] J. Forsberg, A Skinny Label-The Intersection of EU Competition Law and Patent Law, and the Abuse of Dominance by the Enforcement of Second Medical Use Patents (2016).

which raises significant skepticism about this premise.[16] Industries within a country may respond differently to changes in patent rights at the national level, depending on the significance of these rights to each industry.[17] Patent right transactions are crucial for establishing effective market structures in high-technology industries.[18] Furthermore, patent rights effectively promote technological transfer in intricate items by increasing the extent to which knowledge is disseminated across distances.[19] In the 19th and 20th centuries, numerous prominent nations, such as the Netherlands, temporarily eliminated patent rights to foster the growth of their own industries. Similarly, other countries intentionally undermined intellectual property rights to bolster their own technological capabilities.[20] All countries classified as having strong patent rights completely adhered to the basic standards set by the ―US Chamber of Commerce Intellectual Property Task Force in 1984‖.[21]

1.3 International regulatory bodies and framework

Regarding the legal and regulatory aspects, it is worth noting both worldwide and local advancements. The ―United Nations Commission on International Trade Law (UNCITRAL)‖ created a ―Model Law on Electronic Commerce‖, which was officially accepted on June 12, 1996, with the aim of promoting consistency and standardization.[21] Article 11 of the Act on the ―Protection of Competition‖ explicitly forbids the exploitation of a dominant position and provides a comprehensive list of specific abusive behaviors. These include the enforcement of unfair conditions in agreements with other participants in the market, either directly or indirectly. This includes the enforcement of performance that is noticeably deficient compared to the counter-performance provided upon reaching the consensus. The Czech statement to the OECD Competition Committee roundtable in 2011 said that the Czech competition law is completely aligned with the EU competition laws and must be interpreted in accordance with ―EU law‖. Hence, it is necessary to read Article 11 of the Competition Act in line with Article 102 TFEU and the pertinent legal precedents established by the Court of Justice.[22]

The need of the study is to dominant market position abuse and patent rights by analyzing case studies and regulatory frameworks. This study aims to examine the increasing concerns over monopolistic techniques employed by dominant corporations, who exploit their patent rights, leading to negative effects on competition, innovation, and customer well-being. The overall goal is to analyze individual instances of misuse and existing legislation in order to identify patterns, evaluate the efficiency of current legal procedures in addressing these issues, and suggest potential

[16] J. Freilich, The Replicability Crisis in Patent Law, 95 Ind. L.J. 431 (2020).

[17] A. G. Hu & I. P. L. Png, Patent Rights and Economic Growth: Evidence from Cross-Country Panels of Manufacturing Industries, 65 Oxford Econ. Papers 675 (2013).

[18] A. Galasso, M. Schankerman & C. J. Serrano, Trading and Enforcing Patent Rights, 44 RAND J. Econ. 275 (2013).

[19] K. E. Maskus & L. Yang, Domestic Patent Rights, Access to Technologies and the Structure of Exports, 51 Can. J. Econ. 483 (2018).

[20] S. Thambisetty, A. McMahon, L. McDonagh, H. Y. Kang & G. Dutfield, The TRIPS Intellectual Property Waiver Proposal: Creating the Right Incentives in Patent Law and Politics to End the COVID-19 Pandemic (2021). [21] P. Aghion, P. Howitt & S. Prantl, Patent Rights, Product Market Reforms, and Innovation, 20 J. Econ. Growth 223 (2015).

[21] P. G. J. Koornhof, Abuse of Dominance and the Internet: An Assessment of the South African Regulatory Framework (2021) (Doctoral dissertation, Stellenbosch Univ.).

[22] F. Jenny, Abuse of Dominance by Firms Charging Excessive or Unfair Prices: An Assessment, in Abuse of Dominance in EU Competition Law 5 (Springer Int'l Publ'g 2018).

enhancements. This research is important in the efforts of policymakers and legal practitioners to create a market environment that promotes innovation and protects consumer interests.

The paper has been divided into seven distinct sections. Section 1 consists of the study's introduction. Section 2 of this paper presents a literature review on a abuse of dominance and patent rights. Section 3 and 4 of the study outline the objectives and research methodology. Section 5 contains the presented results. The discussion of the results in section 6 follows the preceding material. The study's conclusion is found in Section 7.

2. Review of Literature

The literature review examines the legal framework and case studies related to the abuse of dominant market positions through patents. It focuses on the intersection of patents and competition law and explores how different countries address this issue. The review includes real-life examples that demonstrate these issues.

OBANU, (2024) [23] asserted that holding a dominant position was not inherently illegal, as some companies achieve supremacy via diligent effort and shrewd economic strategies. Abuse of dominance encompasses several behaviors such as price fixing, exclusionary practices, predatory pricing, tying, bundling, and others. These actions are explicitly prohibited under both the ―Federal Competition and Consumer Protection Act 2018‖ and the ―Abuse of Dominance Regulation 2022‖. On the other hand (Botta, & Wiedemann, 2020) [24] observed that the ―National Competition Authorities (NCAs)‖ and the ―European Commission‖ would have a difficult task of providing strong evidence to penalized this behavior under ―Article 102(c) of the Treaty on the Functioning of the European Union (TFEU)‖. Ultimately, the study contended that competition law, with its individualized approach, is more equipped than comprehensive regulation to address the potential adverse impacts of personalized pricing on consumer wellbeing.

Maihaniemi, (2017) [25] investigated the impact of innovation on the evaluation of alleged anticompetitive practices, using two specific concerns raised by the European Commission in recent investigations into Google Search. These concerns included the potential bias in search results and the limitations on the transferability of advertising data to competing advertising platforms. In a same way Rudohradská, (2024)[26] identify the most pertinent and widely applicable lessons from the judgment of 04 July 2023 regarding the use of dominant market position in the context of large data collecting. Whereas Christoffersen, & McCABE, (2024)[27] concluded that the results of two studies on how intersectionality is put into practice in Scotland: one focusing on equality policy and NGOs, and the other on domestic abuse policy-making.

[23] C. J. Obanu, An Appraisal of the Offence of Abuse of Dominant Position in Competition Law, 8 Afr. J.L. & Hum. Rts. 1 (2024).

[24] M. Botta & K. Wiedemann, To Discriminate or Not to Discriminate? Personalised Pricing in Online Markets as Exploitative Abuse of Dominance, 50 Eur. J.L. & Econ. 381 (2020).

[25] B. Maihaniemi, The Role of Innovation in the Analysis of Abuse of Dominance in Digital Markets: The Analysis of Chosen Practices of Google Search, 1 Mkt. & Competition L. Rev. 111 (2017).

[26] S. Rudohradská, Abuse of a Dominant Position on the Digital Markets – Case Meta vs. Bundeskartellamt, 8 EU & Comp. L. Issues & Challenges Series (ECLIC) 473 (2024).

[27] A. Christoffersen & L. E. A. H. McCabe, Operationalising Intersectionality in Equality and Domestic Abuse Policy in Scotland: Contradictions, Contestations and Erasure, Critical Soc. Pol‘y (2024).

Warrier, (2018)[28] observed that the ―abuse of a dominant position‖ takes place when a firm or a group of firms that hold a dominant position in a market engage in behavior that aims to eliminate or control a competitor or discourage new competitors from entering the market, ultimately leading to a significant reduction or prevention of competition. The dominant position of a commercial organization or group in its market is determined by its capacity to operate autonomously without being influenced by its competitors. Similarly Uddin, (2021) [29] assessed the existing (IPRs) and competition regulations and determined that they are inadequate for fostering a conducive atmosphere for innovation and the ―transfer of environmentally sound technologies (ESTs)‖. Competition laws can promote ―innovation and the transfer of environmentally sound technologies (ESTs)‖ by extending EST markets and prohibiting the misuse of ―intellectual property rights (IPRs)‖. To do this, countries' competition laws should incorporate guidelines.

Rantasaari, (2020) [30] indicated a rise in the misuse of patent enforcement due to multiple factors, including the growing quantity and value of patents, the expanding market for patent sales, and the establishment of specialized entities focused on patent licensing and litigation. To ensure the equitable utilization of the civil ―intellectual property rights (IPR)‖ system, the competent court authorities should typically evaluate each case individually when deciding on the provision of ―measures, procedures, and remedies‖ outlined in the Intellectual Property Rights Enforcement Directive (IPRED). In a similar way Gugliuzza, & Lemley, (2024)[31] asserted that the findings validated certain widely accepted beliefs about the Supreme Court and patent law, refute others, and provide a view into the future of patent law. This has numerous ramifications that should captivate patent attorneys and researchers, as well as everyone inquisitive about the Supreme Court's involvement in the legal framework. While certain expert litigators who specialize in Supreme Court matters are becoming more involved in patent cases, their performance in these cases does not appear to be superior or inferior to that of other lawyers. On the other hand Léonard, (2016) [32]explored the specific actions done by patent holders that have been deemed abusive in the context of patent litigation in France and Belgium. Valuable insights can be gained from this comparison approach, which can aid in interpreting the elusive concept of 'abuse' from a more comprehensive standpoint. The study concluded by identifying the characteristics of a "abusive scheme" employed by patent holders in the context of patent litigation in Belgium and France. Rehman, (2020) [33] explored the relationship between anti-trust legislation and intellectual property rights, specifically focusing on how intellectual property rights might contribute to monopolies.

[28] V. S. Warrier, Understanding the Concept of Abuse of Dominance in Copyright, 208 Kerala U. J. Legal Stud. 208 (2018).

[29] M. Uddin, Intellectual Property Rights and Competition Law for Transfer of Environmentally Sound Technologies, 34 Pace Int‘l L. Rev. 63 (2021).

[30] K. Rantasaari, Abuse of Patent Enforcement in Europe: How Can Start-Ups and Growth Companies Fight Back?, 11 J. Intell. Prop. Info. Tech. & Elec. Com. L. 358 (2020).

[31] P. R. Gugliuzza & M. A. Lemley, Myths and Reality of Patent Law at the Supreme Court, 104 B.U. L. Rev. 891 (2024).

[32] A. Léonard, Abuse of Rights in Belgian and French Patent Law-A Case Law Analysis, 7 J. Intell. Prop. Info. Tech. & Elec. Com. L. 30 (2016).

[33] T. Rehman, Intellectual Property or Legal Intellectual Monopoly: Justifications (2020).

Whereas Lamping, (2014) [34] examined dominant position is not inherently an accusation of illegal behavior. Unlike ―Section 2 of the Sherman Antitrust Act (15 U.S.C.)‖, ―Article 102 TFEU‖ does not explicitly forbid the existence or growth of dominant market positions. Instead, it solely targets the misuse or exploitation of such dominance. Not every instance of known misuse, its ―anti-competitive effects, and its recurrence‖ can be effectively addressed by implementing a compulsory license. Essentially, the European Commission requests that the dominant corporation stop engaging in abusive behavior, but it does not authorize obligatory licenses.

There is a lack of research on how regulatory systems in different jurisdictions address the issue of the abuse of dominance and intellectual rights. Extensive inquiries have been conducted into antitrust violation and patent infringement, however, there was a notable deficiency in comprehending how dominant corporations employ intellectual property to suppress competition and hinder innovation. Furthermore, there is a lack of thorough research on the tangible impact of current legal regulations in deterring abusive behaviors and guaranteeing that all forms of intellectual property protection uphold a fair and competitive market. An exhaustive analysis of the case studies from different legal systems and a perceptive assessment of the regulatory remedies implemented to tackle these abuses are necessary. Therefore, the following endeavor seeks to rectify these shortcomings by conducting a detailed comparative analysis of the utilization of market power in connection to patent rights.

3. Research Objectives

I. To explore the foundational principles and legal interpretations of Abuse of dominance.

II. To assess the global regulatory environment concerning Abuse of Dominance and patent rights.

III. To assess the case studies that exemplifies Abuse of Dominance with realm of patents.

4. Research Methodology

The research methodology employed for the study titled "Abuse of Dominance and Patent Rights: Case Studies and Regulatory Framework" entails doing an extensive literature analysis and scrutinizing multiple case studies. A comprehensive examination is carried out by scrutinizing scholarly publications, legal records, and regulatory reports to identify occurrences of patent rights exploitation by dominant corporations and the accompanying regulatory actions taken in response. The principal sources comprise academic articles, books, and official guidelines issued by antitrust authorities, such as the European Commission. Key terms to search for include expressions such as monopolistic behavior, intellectual property rights, and regulations pertaining to competition. These phrases are utilized for conducting searches across well-known academic resources and legal research platforms. The gathered material includes a brief summary of the specific details of the case and the related regulatory processes, followed by a thorough analysis that emphasizes patterns and parallels. The objective is to recognize patterns and assess the effectiveness of various frameworks. The technique aims to integrate existing knowledge, evaluate the strengths and weaknesses of rules, and propose solutions to improve the management of patent-related abuses. This research provides a robust foundation for understanding and effectively overcoming the challenges.

5. Result I. Foundational Principles and Legal Interpretations

[34] M. Lamping, Refusal to Licence as an Abuse of Market Dominance: From Commercial Solvents to Microsoft, in Compulsory Licensing: Practical Experiences and Ways Forward 121 (Berlin Heidelberg: Springer Berlin Heidelberg, 2014).

The market also engages in competition strategies related to "technology patenting, patent standardization, and standard monopoly". The regulation of this issue through antitrust law has become a more prevalent academic topic. The substantive standards of antitrust law serve as the fundamental framework for resolving conflicts of interest that arise in relation to the ―licensing of standard-essential patents‖.[35] The principles of abusive practices encompass exploitative and exclusionary forms of maltreatment. Exploitative abuse refers to the actions of a dominating company that directly damage its clients, such as increasing prices or decreasing the quality of its products or services. As per the Commission, exclusionary abuse refers to actions taken by a dominant company that restricts fair competition in a market by preventing its competitors from participating in an unfair manner, which ultimately harms consumer well-being.[36] In order to establish exclusionary abuse, it is imperative to demonstrate that the behavior results in anticompetitive effects by detrimentally affecting customers.[37]

Abuse of Dominance is a concept originating from anti-trust laws that focuses on monopolistic behaviors that impede fair competition. Thus, the core principles typically center around two main factors: the existence of market dominance and the attributes of the detrimental conduct. The notion of Abuse of Dominance has been clarified by legal precedents and codified in statutory statutes. In legal jurisdictions such as the European Union and the United States, anti-trust regulators conduct thorough examinations to determine whether a firm's actions can be classified as abusive. The European Commission has adopted a stricter methodology that involves delineating the market, measuring market dominance, and evaluating the impact of behavior on competition. The US antitrust framework is formed by the ―Sherman Act and the Federal Trade Commission Act‖.[38]

In contrast to established concepts of US anti-trust law, EC competition focuses on dominant enterprises that charge monopoly pricing, even without engaging in exclusionary behavior. Nevertheless, the European Commission, responsible for enforcing the competition rules outlined in the EC treaty, has repeatedly asserted that it does not view its function as that of a pricing regulator. The Commission's policy pronouncements demonstrate its discretionary power to prosecute within the realm of competition laws outlined in the EC treaty. The European Commission has often emphasized that it does not view itself as a price regulator.[39]By employing a multivariate analytical method, one may analyze the evolution of constitutional principles in intellectual property law in relation to the advancements and societal shifts that took place in patent law during its modern doctrinal formulation. There is a probability that the socialobligation principle has reappeared in SC legal decisions in the last ten years.[40] Therefore, the International Competition Network is currently working on specific types of behavior that could be considered

[35] Y. Xing & R. Jin, Content and Methods of Balancing the Interests of Antitrust Law in Regulating the Abuse of Standard-Essential Patents, 3 Sci. L.J. 95 (2024).

[36] P. Akman, A Critical Inquiry into _Abuse‘ in EU Competition Law, 44 Oxford J. Legal Stud. 405 (2024).

[37] C. Fumagalli & M. Motta, Economic Principles for the Enforcement of Abuse of Dominance Provisions, 20 J. Competition L. & Econ. 85 (2024).

[38] H. Hovenkamp, Monopolizing Digital Commerce, 64 Wm. & Mary L. Rev. 1677 (2022).

[39] D. Geradin & M. Rato, Can Standard-Setting Lead to Exploitative Abuse? A Dissonant View on Patent Hold-Up, Royalty Stacking and the Meaning of FRAND, 3 Eur. Competition J. 101 (2007).

[40] K. Murray, Constitutional Patent Law: Principles and Institutions, 93 Neb. L. Rev. 901 (2014).

as abuse of dominance or monopolization, such as exclusive dealing and predatory pricing. The goal is to provide proposed rules that can be applied globally.[41]

However, India's Competition legislation does not overtly prohibit the misuse of dominance, but instead imposes limitations on it. The ―Indian Competition Act‖ was enacted in response to the country's economic expansion following privatization and liberalization. With the shift from "command-and-control" policies to open market policies, monopolies are no longer intrinsically negative. However, their justified abuse remains a concern. ―Section 4(2) of the Indian Competition Act 2002‖ states that an ―abuse of dominant position‖ occurs when an enterprise imposes unfair and ―discriminatory conditions or prices in the purchase‖ and/or ―sale of goods‖. This provision sets a restriction on the exception clause of ―Section 3(5)‖ of the same Act. Consequently, the utilization of intellectual property rights (IPR) holders' privileges is limited in order to safeguard customers from harm. Consequently, while issuing licenses for intellectual property, it is impermissible for intellectual property owners to unfairly place restrictions on inventions.[42]

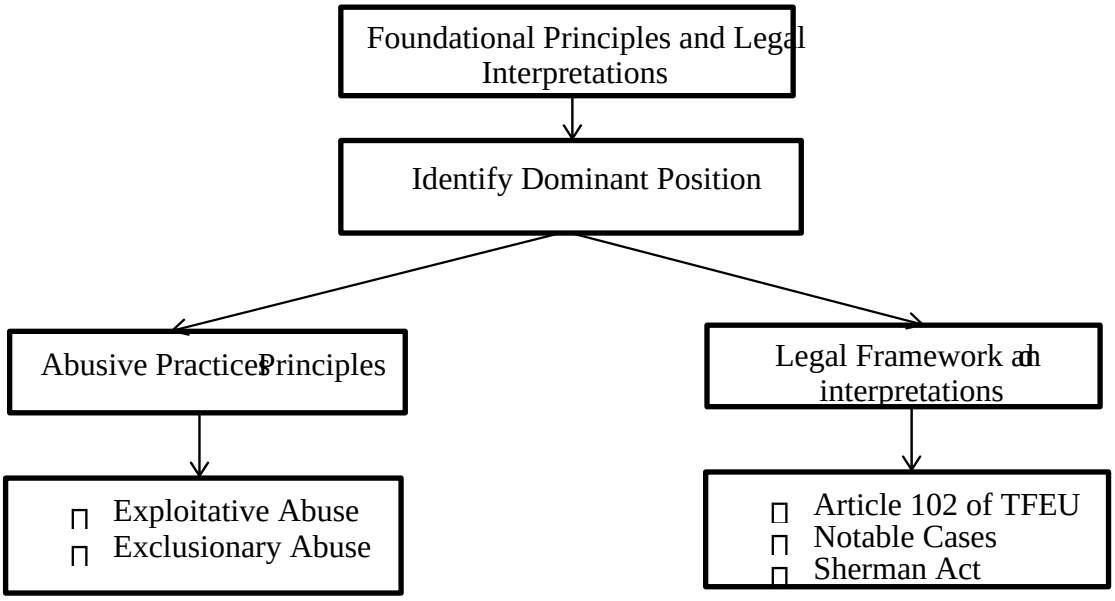

Figure 1: Foundational Principles and legal Interpretations Source: Self-made by Author

II. ` Global Regulatory Environment concerning abuse of dominance and patent rights

The regulatory system underwent significant changes throughout the 1980s. In 1982, a specialized court was established to handle appeals related to patent cases, with a focus on promoting patent rights. Shortly later, a recently appointed leader of the Antitrust Division stated that the nine prohibited actions "contain more inaccuracies than accuracies." Under the Democratic administration of William Clinton in 1995, the federal antitrust agencies pursued restrictive patent licensing practices with less vigor. During this time, the ―Department of Justice and Federal

[41] E. M. Fox, Monopolization and Abuse of Dominance: Why Europe Is Different, 59 Antitrust Bull. 129 (2014).

[42] A. Tripathi & S. K. Bose, Ensuring Fair Play: Abuse of Dominance and Intellectual Property Rights, 39 J. Namibian Stud.: Hist., Pol. & Cult. 547 (2023).

Trade Commission‖ jointly published new ―Antitrust Guidelines for the Licensing of Intellectual Property‖.[43] The IP legislative frameworks at both the international and national levels, as well as actions from the bottom up in the market, aimed at altering the behavior of patent holders, have undeniable consequences for patent owner's.[44]

Regulatory approaches differ worldwide in tackling the exploitation of dominant market positions and safeguarding patent rights. Regulatory responses differ among countries when it comes to tackling the exploitation of dominant market positions and safeguarding ―intellectual rights‖. ―Article 102 of the treaty on the functioning of the European Union‖ governs the connection between competition law and intellectual property inside the European Union.[45] This rule enforces the prohibition of unfair practices conducted by companies who possess dominant positions. The European Union has issued clear guidelines about the correlation between patents and market dominance with the objective of preventing patent holders from unjustly obstructing competition and exploiting their position. The ―Federal Trade Commission and the Department of Justice‖ in the United States have the responsibility of supervising the intersection of antitrust laws and patent rights. The regulatory framework in the United States has mostly focused on addressing the possible anti-competitive use of patents, particularly in cases involving patent thickets and standard essential patents (SEPs).Development is currently taking place in countries such as India and China. China incorporated competition and intellectual property into its AntiMonopoly Law, and made subsequent changes to specifically tackle abusive patent practices. The ―Competition Commission of India‖ has initiated efforts to tackle concerns regarding the exploitation of a dominating market position in relation to patents, demonstrating an increasing commitment to international norms.[46]

[43] F. M. Scherer & J. Watal, Competition Policy and Intellectual Property: Insights from Developed Country Experience, in Competition Policy and Intellectual Property in Today's Global Economy 396 (Cambridge Univ. Press 2021).
[44] N. Petit, 'Stealth Licensing'—Or Antitrust Law and Trade Regulation Squeezing Patent Rights, 9 Eur. Competition J. 201 (2014).
[45] F. Dethmers & H. Engelen, Fines Under Article 102 of the Treaty on the Functioning of the European Union, 32 Eur. Competition L. Rev. 86 (2011).
[46] A. Bhattacharjea, O. De & G. Gouri, Competition Law and Competition Policy in India: How the Competition Commission Has Dealt with Anticompetitive Restraints by Government Entities, 54 Rev. Indus. Org. 221 (2019).

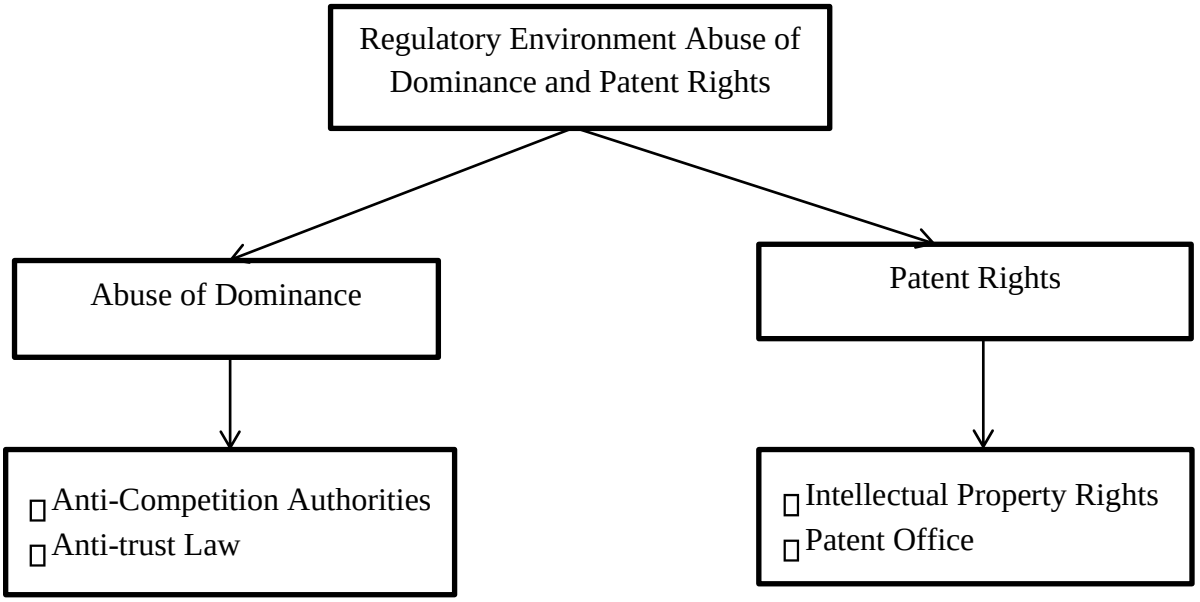

Figure 2: Regulatory Environment Abuse of Dominance and Patent Rights
Source: Self-made by Author III. Assessment of Case studies exemplifying Abuse of Dominance in the Realm of Patents

The main goal of the study was to analyze multiple cases that effectively illustrate instances of wrongdoing linked to monopolistic power, particularly in connection to patents. The essay examines notable cases where leading corporations have attempted to expand their market share by leveraging their patent portfolio to maintain their perceived market dominance, so deterring competitors and impeding innovation.

a) Microsoft vs. Mobility

In 2012, Microsoft lodged a lawsuit with the Federal Trade Commission (FTC) against Motorola Mobility. The complaint accused the business of using its dominant market position to unfairly demand exorbitant royalties from Microsoft for crucial patents related to video coding and wireless technologies. The Federal Trade Commission found that Motorola's licensing methods contravened antitrust rules and did not adhere to ―Fair, Reasonable, and Non-Discriminatory (FRAND) terms‖. This case demonstrated the ability of dominant companies to employ Standard Essential Patents (SEPs) as a means to impede competitors from acquiring crucial technologies.[47]

b) Qualcomm's Licensing Practices

Qualcomm has been the subject of multiple antitrust probes worldwide, namely on its practices with patent royalties. In 2015, the European Commission found that Qualcomm had participated in anticompetitive conduct by providing financial incentives to key customers on the condition that they only use Qualcomm chipsets. Qualcomm leveraged its vast patent portfolio to establish a firm grip on the baseband chipset sector, thereby excluding rivals and reinforcing its market domination.[48]

[47] M. Rato & N. Petit, Abuse of Dominance in Technology-Enabled Markets: Established Standards Reconsidered?, 9 Eur. Competition J. 1 (2013).
[48] B. C. Li, The Global Convergence of FRAND Licensing Practices: Towards "Interoperable" Legal Standards, 31 Berkeley Tech. L.J. 429 (2016).

c) Spotify v. Apple

The European Commission has just initiated an investigation into Apple's potentially anticompetitive behavior towards Spotify. However, Spotify's complaint encompasses the majority of the possibly anticompetitive acts that were examined. Apple enforces a 30% commission charge on music streaming subscriptions made via its App Store. Spotify's ability to communicate with its users through the app has been restricted. Spotify contends that Apple's actions disrupt the competitive process by imposing restrictions on its app, so limiting consumers' ability to make genuine choices. Due to Apple's lack of fair competition, other services are deprived of an equal opportunity to prosper, resulting in restricted creativity and innovation. Hence, the EC will face difficulties in assessing the magnitude of consumer harm.[49] **d) Microsoft Corp v. Commission of the European Communities**

The European Court of First Appeal ruled that Microsoft‘s refusal to provide and permit the use of connectivity knowledge, with the aim of developing and selling products that directly compete with the company‘s own offerings in the work group operating systems for servers market, formed abusive conduct. Microsoft was discovered to possess an overwhelming dominance in this particular situation, boasting a market share over 60%. The second greatest competitor in the market held a stake ranging from 10% to 25%. The behavior was deemed to pose a threat to competition in the specific market, as well as to impede technological advancement and harm customer well-being.[50]

e) Huawei v. ZTE

The attention has been directed towards the test utilized to determine abuse of dominance, with the aim of analyzing its evolution in EU legal precedents and understanding the consequences of these developments.[51]

f) PepsiCo vs. Potato Farmers (2019)

The focus has been shifted towards the examination employed to ascertain the ―abuse of dominant position‖, with the objective of scrutinizing its progression in European Union legal precedents and comprehending the implications of these advancements. **g) Novartis AG vs. Union of India (2013)**

This particular case study analyzes Novartis‘s legal dispute regarding the denial of its patent application for the cancer drug Glivec based on Section 3(d) of the Indian Patent Act. The SC upheld the decision to deny the patent emphasizing the significance of stopping the practice of indefinitely extending patent protection and guaranteeing affordable access to life-saving pharmaceuticals. This ruling indirectly supports the well-being of patients who rely on such pharmaceuticals.[52] **6. Discussion**

The study explores how businesses employ their dominant position to exploit market power, thereby stifling competition and maintaining monopolies with respect to patent rights. This paper

[49] F. Bostoen & D. Mândrescu, Assessing Abuse of Dominance in the Platform Economy: A Case Study of App Stores, 16 Eur. Competition J. 431 (2020).

[50] P. G. J. Koornhof, Abuse of Dominance and the Internet: An Assessment of the South African Regulatory Framework (2021) (Doctoral dissertation, Stellenbosch Univ.).

[51] M. Narmiq, Refusal to License Intellectual Property Rights as an Abuse of Dominance under EU Competition Law: What is the Best Solution for Legal Certainty from a Rule of Law Perspective? (2018) (Doctoral dissertation, Univ. of Central Lancashire).

[52] C. Shashidhar & S. Sripada, Consideration of Reality vs. Real-Term Provisions in Dispute Settlements Relating to Infringements of Intellectual Property Rights, 30 Educ. Admin.: Theory & Prac. 14497 (2024).

analyzes the current regulatory frameworks in this field, including antitrust laws and intellectual property limitations. The study investigates the effectiveness of patent protection and suggests practical changes to achieve a fairer balance between patent protection and fair competition. Conversely, if a firm attains market dominance through lawful means, it is not regarded as problematic. Nevertheless, companies that abuse their monopolistic dominance of the economy to carry out illegal activities like collusion, aggressive pricing, or product bundling, which eventually harm market effectiveness or customer welfare, are committing a violation. Therefore, engaging in such conduct is explicitly forbidden by the ―Federal Competition and Consumer Protection Act‖ of 2018 and the Abuse of Dominance Regulation of 2022 (OBANU, 2024).

In a similar vein, the recent legal decisions made by the ―European Court of Justice (ECJ)‖ have heightened the standard of proof that National Competition Authorities (NCAs) and the European Commission must meet when addressing cases of price discrimination under Article 102(c) of the ―Treaty on the Functioning of the European Union (TFEU)‖. This study showcases the effectiveness of an effects-based approach in ―competition law‖, which entails examining each case separately, compared to a comprehensive rule, in dealing with the subtle implications of personalized pricing on customer well-being. (Botta, & Wiedemann, 2020)

The recent investigations carried out by the European Commission (EC) regarding Google Search serve as a great case study that underscores the crucial role of innovation in evaluating charges of anticompetitive activity. The subject under discussion pertains to the existence of prejudice in search outcomes and the constraints on moving data across rival advertising platforms. To fully comprehend the impact of innovation on competition and market dynamics, it is essential to have a nuanced grasp of these issues (Maihaniemi, B. 2017).

Meanwhile the ruling on July 4, 2023, emphasized many aspects that influenced the conclusion and offered valuable insights for the application of regulations against the abuse of authority in cases involving substantial data collection. This emphasizes the importance of analyzing how dominant corporations employ substantial quantities of data to impede competition, a topic that is not sufficiently addressed by the existing technique employed to investigate such misconduct in academic literature (Rudohradská, 2024). The amalgamation of the two Scottish studies illustrates the divergent implementation of intersectionality in the realms of equality policy and non-governmental organizations (NGOs), which utilize comprehensive and all-encompassing frameworks. Conversely, within the realm of policy-making for domestic abuse, intersectionality is employed to customize interventions according to particular vulnerabilities that cross. Such distinction requires specific approaches to take into account the circumstances while executing policies that are influenced by comorbidity (Christoffersen, & McCABE, 2024).

The study demonstrates that an abuse of a dominant position arises when commercial entities or a consortium of organizations engage in behavior with the intention of eliminating competitors or deterring new entrants, therefore significantly diminishing competition. A dominant position refers to a company's ability to function independently from its competitors and have a significant impact on market dynamics and levels of competition (Warrier, 2018). Nevertheless the review indicates that the current intellectual property rights (IPR) and competition policies do not effectively promote innovation and the transfer of Emerging and Sustainable Technologies. To ensure a conducive climate, it is imperative for competition regulations to consistently evolve to prevent the ―abuse of intellectual property rights (IPR)‖ and foster the development of emerging sustainable technology (EST) markets. Enacting certain

regulations in national antitrust laws can help support the advancement and widespread adoption of environmentally sustainable technological innovation (Uddin, 2021).

The study's findings suggest that the rise in patent enforcement abuse can be ascribed to various causes, such as the widespread availability of patents, the increasing worth of patents, the expansion of the patent sale market, and the formation of specialized licensing businesses. In order to guarantee a just and effective resolution of conflicts in the civil intellectual property rights (IPR) system, it is imperative for court authorities to adopt a methodical approach by applying the procedures specified in the Intellectual Property Rights Enforcement Directive (IPRED) on a case-by-case basis (Rantasaari, 2020). In the similar way the results here confirm several conventional viewpoints regarding the Supreme Court's role in patent law, while simultaneously challenging other others and provide a glimpse into future progress. These discoveries have substantial implications for both patent attorneys and researchers. Although professional litigators in the Supreme Court are participating more frequently, they do not attain superior results compared to regular attorneys in patent disputes. This suggests a change in the field of patent litigation (Gugliuzza, & Lemley, 2024). The study examines the actions that are deemed abusive in French and Belgian legal proceedings from the perspective of individuals who own patents. Furthermore, it provides a more profound comprehension of the wider elucidation of the term 'abuse'. A comparative study has identified repeating patterns of "abusive schemes" in patent enforcement. These findings offer useful insights into understanding and addressing patent abuse in different legal contexts (Léonard, 2016).

The study successfully elucidates the correlation between antitrust legislation and intellectual property rights, underscoring the apprehensions regarding monopolistic behaviors enabled by the safeguarding of IP. This study emphasizes the importance of incorporating antitrust principles into intellectual property legislation in order to prevent the abuse of monopolistic power and foster the simultaneous existence of competitive markets and innovation (Rehman, 2020). It is noteworthy that Article 102 TFEU does not explicitly condemn the state of being dominant, in contrast to ―Section 2 of the Sherman Act‖. Instead, it primarily aims to tackle the misuse of dominance. Nevertheless, compulsory licenses may not always be a viable solution for every circumstance. Rather than imposing mandatory licenses, the European Commission usually demands that the dominant firm stop engaging in harmful behavior (Lamping, 2014).

7. Conclusion

Overall, the use of market power in connection to patent rights leads to complex issues that highlight the necessity for a strong and diverse regulatory framework. The paper investigates multiple case studies that assess the strategies employed by dominant firms to leverage their patent portfolios in order to stifle competition, prevent new players from entering the market, and exploit licensees for financial benefit. Case studies illustrate repetitive actions that have not only had a detrimental effect on competitors but also impeded innovation and the welfare of consumers. Thus, it has been proven that while patents have stimulated innovation, the way in which dominant corporations utilized them requires regulatory scrutiny. To mitigate the employment of monopolistic techniques arising from abuses, it is imperative to efficiently enforce both antitrust laws and patent regimes. An equitable strategy is required, which entails protecting the lawful interests of copyright holders while also preventing the misuse of these rights to create barriers to competition.

The concepts provided in this text advocate for the necessity of modifying the legislative frameworks to include more explicit principles, together with more robust ways for enforcement.

In addition, enhancing transparency among all stakeholders in the industry, while promoting mutually advantageous resolutions in most cases, could partially alleviate the detrimental impacts of patent misuse. Tackling these difficulties will allow policymakers to ensure that the patent system remains an instrument for fostering innovation and competitive markets, eventually benefiting consumers and the economy as a whole.

The study focuses on detailed case studies that analyze the emerging markets and technology sectors. It examines the impact of current changes in digital economies on patent abuse and explores the effectiveness of regulatory frameworks in addressing abuse of dominance and patent rights. Additionally, there is potential for further research on the delicate equilibrium between promoting innovation and limiting monopolistic practices, the significance of international collaboration in implementing patent regulations, and the consequences of recent legal precedents. Examining the socio-economic consequences of patent abuse on small and medium-sized enterprises (SMEs) can provide valuable insights for policymakers and regulatory bodies.