

Becton Dickinson accused for indulging in unfair practices by CCI

30 November 2015 | News | By BioSpectrum Bureau

Becton Dickinson accused for indulging in unfair practices by CCI



Competition Commission India (CCI) has ordered an investigation against Becton Dickinson India for alleged anti-competitive practices with respect to healthcare services.

Becton Dickinson, an MNC that makes disposable syringe under the brand name 'Emerald', has been accused for selling disposable syringe on higher MRP to hospitals and sell same product with lower price in open market.

According to Mr Bejon Mishra , a consumer activist from the organisation, Partnership for Safe Medicine said, "Such kind of collusion between manufacturers and importers and hospitals of variable and arbitrary price fixation to fleece consumers indicates the need for government to step in to protect consumers with a price capping mechanism or a taxation by importer or manufacturer linked the MRP as these innocent gullible consumers have no idea about prices of competing medical devices and rely solely on the printed price or their faith in the hospital or doctor."

The Commission has ordered a detailed probe by its investigation arm Director General (DG) after finding "prima facie" case of contravening competition norms.

According to the Commission, the informant is primarily aggrieved by the conduct of the opposite parties in charging a higher MRP for disposable syringe manufactured by Becton Dickinson India (OP 1) and brought from an in house pharmacy located within the hospital network of Max Super Speciality Hospital (OP 2).

The price was found to be higher compared to MRP (Maximum Retail Price) of the same product in the open market.

"Prima facie, the Commission is of the considered opinion that the conduct of OP 2 in charging higher price, through printing higher MRP on disposable syringe in connivance with OP 1, from the informant amounts to imposition of unfair price," which

is in violation of competition norms," CCI said.

Ordering the probe, the Commission said that in case the DG finds that the opposite parties have violated competition norms, then the role of the "officials/ persons" who at the time of such contravention were in-charge and responsible for the conduct of the business, should also be investigated.

As per the order dated November 17, CCI is of the view that prima facie there is violation of Section 3 of the Competition Act that pertains to abuse of dominant position.

CCI also noted that there is "no force in the arguments advanced by the counsels of OP 2 that DS available in the open market is different from the product sold by OP 2 in terms of packaging and its usefulness at the time of surgery".