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Abuse of Dominance by Film Industries: Legal Frameworks, Economic Consequences, and Regulatory Imperatives

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Abstract: This study examines the phenomena of market dominance and its misuse in the Indian film industry, in a wider legal, economic and comparative policy context. Based on Section 4 of India's Competition Act, 2002 as amended substantially in 2023, the study argues that there is nothing wrong with the existence of dominance based on creative excellence and operational efficiency but the weaponization of such dominance against smaller market players is a serious threat to both market integrity and cultural plurality. The paper offers a comparative appraisal of legal standards, regulatory philosophies and sector specific enforcement experiences by drawing on enforcement precedents of Competition Commission of India (CCI), landmark rulings of the European Union under Article 102 TFEU and the established jurisprudence of United States antitrust law under Sherman Act, 1890. The economic analysis identifies allocative, productive and dynamic inefficiencies arising from consolidated market structures, including diminished narrative diversity, increased ticket prices and strategic foreclosure of independent producers. According to the FICCI-EY Media and Entertainment Report 2025, India's Media and Entertainment sector crossed INR 2.5 trillion in 2024 and global streaming revenues crossed USD 143 billion. The article raises regulatory challenges: defining relevant markets in converging digital ecosystems, opacity of contractual arrangements and governance of algorithmic gatekeeping by OTT platforms. Policy proposals include media competition requirements for certain sectors, structured data transparency obligations, greater inter-agency collaboration between the CCI, MIB, and TRAI and empowering of independent and regional filmmakers.

Keywords: Abuse of Dominance, Competition, Film Industry Regulation, Market Power, OTT Platforms

I. INTRODUCTION

The Indian film industry popularly identified with the term Bollywood, though encompassing a vast constellation of regional language cinemas represents one of the most prolific and commercially dynamic cultural sectors in the world. With India producing over 1,600 films in 2024 across Hindi, Tamil, Telugu, Malayalam, and other regional languages, and with the Media and Entertainment (M&E) sector having crossed INR 2.5 trillion in the same year, the economic weight of the industry is undeniable (FICCI-EY, 2025). Yet beneath this surface of creative abundance lies a more troubling structural reality: the concentration of market power in the hands of a few vertically integrated production houses, distributor networks, and multiplex conglomerates, whose dominance shapes and sometimes distorts the conditions under which creativity commerce, and competition interact.

This paper is concerned with a specific but consequential dimension of this reality the abuse of dominant positions by film production houses and their affiliated entities. Dominance, as a legal and economic category, is not intrinsically objectionable. Firms attain market leadership through innovation, investment, brand equity, and the repeated delivery of content that resonates with audiences. What becomes legally and ethically problematic is the deployment of that dominance to exclude rivals, extract unfair terms from contractual counterparts, homogenize cultural output, or otherwise subvert the competitive process that benefits consumers and society at large. Section 4 of the Competition Act, 2002 India's principal instrument for addressing such conduct draws this distinction explicitly, penalizing not dominance per se but its abuse.

The regulatory challenge has grown considerably more complex in the current decade. The emergence and rapid expansion of Over the top (OTT) streaming platforms as Netflix, Amazon Prime Video, Disney Hotstar, Zee5, and others has transformed the traditional theatrical-release business model, introduced new forms of gatekeeping, and blurred the boundaries of relevant markets. Digital media is now the largest segment of India's M&E industry, contributing 32% of total revenues and is projected to reach INR 3.3 trillion by 2028 (FICCI-EY Report 2025). Global streaming revenues surpassed USD 143 billion in 2024 and are projected to grow to USD 416 billion by 2030 (Grand View Research, 2025). Against this background, the competitive dynamics of the Indian film industry must be understood not merely within the confines of the theatrical exhibition market, but across a convergent, digitally mediated media ecosystem.

This paper proceeds in several stages. Part II constructs a conceptual and legal framework for understanding dominance and its abuse in the film industry context. Part III undertakes a comparative legal analysis, using the regulatory philosophies and case law of the European Union and the United States to contextualize India's approach. Part IV analyzes particular types of abusive conduct documented or alleged in the Indian film industry, with reference to enforcement decisions by the CCI. Part V offers an economic analysis of the consequences of market concentration, drawing on contemporary empirical data. Part VI identifies the principal regulatory challenges confronting enforcement agencies and proposes a multi-dimensional reform agenda. Part VII concludes.

II. Conceptual and Legal Framework: Dominance in the Film Industry

I. The Nature of Dominance0

Dominance, in the broadest sense, is a condition of structural superiority within a defined competitive space, be it social, political, biological, or economic. Dominance is "the fact or condition of being dominant, especially having a controlling or leading position within a social hierarchy" (Merriam-Webster, 2024). In an economic context, dominant firms are those that can shape market outcomes—prices, output levels, terms of access, and rates of innovation—in ways that independent competitive pressure would not otherwise permit. Critically, dominance is not synonymous with size. A firm may hold substantial market share yet remain competitive discipline; conversely, a firm with a moderate share may possess dominance if it controls a critical input, a strategic bottleneck, or a network whose value compounds with scale.Section 4 of the Competition Act, 2002 defines 'dominant position' to mean a position of strength enjoyed by an enterprise in the relevant market which enables it to (a) operate independently of competitive forces prevailing in the relevant market or (b) affect its competitors or consumers or the relevant market in its favour.This formulation—substantially influenced by the EU's 'special responsibility' doctrine under Article 102 TFEU—makes the capacity for independent action the primary criterion, rather than a fixed quantitative threshold such as market share. This is analytically significant: it focuses regulatory attention on conduct and its competitive effects, rather than purely on structure.

II. The Film Market as an Imperfect Competitive Structure

Film markets, both globally and in India, exhibit several hallmarks of imperfect competition. Entry barriers are formidable: high production and marketing expenditures, restricted access to distribution networks, and the scarcity of premium multiplex screen time all raise the minimum viable scale for new entrants. Economies of scale and scope benefit incumbents: their existing libraries generate recurring revenues from licensing, satellite rights and OTT syndication, which subsidize new productions. Network effects – particularly strong for digital platforms further entrench the position of incumbents: a streaming service with a large subscriber base commands greater bargaining power vis-à-vis content producers, a better algorithmic dataset for content recommendation, and a stronger brand signal for attracting talent and investment. The concentration of production activity is particularly stark. The top ten production companies account for approximately 60% of total box office collections (FICCI-EY analysis), yielding a Herfindahl-Hirschman Index (HHI) for the Indian film production segment of approximately 2,500, a level considered moderately concentrated by the standards of the U.S. Department of Justice (FICCI-EY, 2023; CCI, 2022). Vertical integration compounds these structural pressures: companies such as Yash Raj Films (YRF) and Dharma Productions control the process of content creation, talent development and distribution internally, while multiplex chains such as PVR INOX control large parts of theatrical exhibition. Such integration provides a competitive advantage that is both legitimate, as a result of efficient organization, and potentially exclusionary, to the extent that it enables dominant companies to decide which films reach audiences and on what terms. 2.3 Sources and Indicators of Market Dominance Market dominance in the film industry is based on multiple reinforcing sources. Financial capacity enables dominant studios to finance high-budget productions, attract top creative talent, and sustain large-scale marketing campaigns resources that independent producers cannot afford. A second axis of power is control over distribution infrastructure especially exclusive deals with multiplex chains and OTT platforms—which determines which films reach audiences at commercially viable scale. Brand equity and star power form a third source. The association of certain production houses with bankable stars creates a self-reinforcing cycle of audience expectation, critical reception and commercial success, enhancing the reputational capital of dominant players and marginalizing newcomers. Technological power has become a fourth and increasingly consequential source of dominance. Major OTT platforms Netflix, Amazon Prime Video, Disney+ Hotstar—use sophisticated data analytics and proprietary recommendation algorithms that influence viewer discovery and content prioritization. As independent content producers have observed, algorithmic curation functions as a form of invisible gatekeeping: content that is not surfaced by the recommendation engine effectively does not exist for the majority of users, regardless of its intrinsic creative or artistic merit. This dynamic concentrates the power to determine cultural consumption not merely in production houses, but in platform operators whose data advantages are, by their nature, extremely difficult for new entrants to replicate.

Sl No	Segment	2022 Revenue (INR)	2024 Revenue (INR)	Growth (%)
1	Film / Cinema	197	187 (declined)	-5%
2	Digital / OTT Media	438	800 (est.)	+38%
3	Television	700	690 (marginal decline)	-2%
4	Animation & VFX	107	124	+16%
5	Online Gaming	135	230	+70%
	Total M&E Sector	INR 2.1 Trillion	INR 2.5 Trillion (US$29.4 Bn)	+8% (CAGR)

Source: FICCI-EY Media and Entertainment Reports (2024, 2025); EY India (2025)

III. Comparative Legal study: India, the European Union, and the United States

i. India: Section 4 of the Competition Act of 2002

The legal framework in India for combating abuse of dominance is based on Section 4 of the Competition Act, 2002, as modified by the Competition (Amendment) Act, 2023. Section 4(1) explicitly prohibits any firm or group from using its dominating position. Section 4(2) delineates particular forms of abuse, encompassing the imposition of inequitable or discriminatory conditions in transactions; restriction of production, markets, or technological advancement to the detriment of consumers; denial of market entry; exploitation of dominance in one market to infiltrate or safeguard another; and the imposition of extraneous obligations unrelated to the contract's subject matter. Several significant aspects of the Indian method merit attention. The Act does not impose penalties for just possessing a dominant position, explicitly acknowledging that such dominance may stem from truly better performance. Secondly, the CCI's enforcement approach has increasingly adopted an effects-based methodology, wherein the pivotal inquiry is not whether the conduct aligns with a specified category of abuse, but rather whether it results in a significant adverse effect on competition (AAEC) within the pertinent market (Norton Rose Fulbright, 2024). The Competition (Amendment) Act, 2023 enhanced the regulatory framework by instituting deal value thresholds for merger control, mandating notification for transactions exceeding INR 2,000 crore with significant operations in India. Additionally, it established a Settlement and Commitment regime, effective March 2024, enabling entities to resolve investigations concerning vertical restraints and abuse of dominance without extended litigation.

The 2023 revisions introduced ideas for ex-ante regulation of digital marketplaces, a significant development for the film industry due to the increasing dominance of streaming platforms in content distribution. The CCI has demonstrated recognition of the distinctive characteristics of multi-sided digital platforms, such as data asymmetries, self-preferencing, and network effects, in its decision-making and market analyses. The investigation into the Google Play Store culminated in a 2025 settlement of INR 20.24 crore concerning entry barriers in smart-TV operating systems, illustrating the CCI's growing readiness to apply competition law against technology intermediaries that govern the infrastructure facilitating the delivery of film and entertainment content to consumers (Lexology, 2025).

ii. The European Union

The EU framework for abuse of dominance is based on Article 102 of the Treaty on the Functioning of the European Union (TFEU), which forbids any misuse by one or more undertakings of a dominant position within the internal market or a significant portion thereof. EU competition law broadly defines 'undertakings' to include any business involved in economic activity, irrespective of its legal form or ownership structure. The EU approach, in contrast to the Indian and U.S. models, has traditionally integrated per se prohibitions for severe abuses—such as predatory pricing, margin squeeze, and exclusionary tying—with a progressively effects-based analysis for less clear conduct, as initiated by the European Commission's 2008 Guidance on Article 102 TFEU enforcement priorities. EU jurisprudence has established significant precedents pertinent to the film industry. In *United Brands v. Commission* (1978), the Court of Justice characterized dominance as an economic position that allows a firm to obstruct effective competition in the relevant market, granting it the ability to act to a significant degree independently of its competitors and customers. In Hoffmann-La Roche v. Commission (1979), the Court determined that possessing a dominant position entails a particular obligation to avoid distorting authentic competition in the common market. These concepts have been applied to the media sector in later decades, guiding regulatory investigations into studio licensing arrangements, streaming platform interoperability, and the market dominance of tech-media conglomerates.

The Digital Markets Act (DMA), effective from 2022 and fully enforced in 2024, signifies the EU's most ambitious initiative against platform dominance. By categorizing significant digital platforms as 'gatekeepers' subject to pre-emptive obligations such as bans on self-preferencing, mandates for data portability, and requirements for interoperability the DMA establishes a regulatory framework that supersedes Article 102, tackling the foundational causes of dominance prior to the emergence of specific abuses. The significance of its relevance to India's OTT ecosystem is considerable, as numerous designated gatekeepers of the DMA manage prominent film and video distribution platforms in India.

III. The United States

Section 2 of the Sherman Act United States antitrust legislation addresses market power via Section 2 of the Sherman Antitrust Act of 1890, which denounces the intentional acquisition or preservation of monopolistic power by exclusionary or predatory practices. The U.S. model is characterized by its fundamentally reactive nature, intervening solely when there is unequivocal evidence of market power being acquired or maintained through methods other than superior skill, foresight, or industry, and only when the resultant detriment to consumer welfare is evident. The Chicago School of economic thought, which significantly influenced U.S. antitrust enforcement from the 1970s onwards, highlighted the self-correcting nature of competitive markets, warned against excessive deterrence, and prioritized the consumer welfare standard as the primary aim of antitrust law.

The Paramount Consent Decrees of 1948, resulting from *United States v. Paramount Pictures Inc*., were the most historically important antitrust intervention in the global cinema business. The Supreme Court's decision demolished the vertical integration among major Hollywood studios, national distribution networks, and first-run theater chains, outlawing block-booking, circuit-dealing, and excessive clearances. The 2020 expiration of the decree has sparked renewed discourse regarding vertical integration in modern film markets, especially in light of technology firms like Apple, Amazon, and Google entering film production and distribution, alongside the consolidation of streaming platforms that now oversee both content creation and delivery infrastructure.

Basis	India (The Competition Act, 2002)	European Union (A. 102 TFEU)	United States (The Sherman Act, 1890)
Legal Basis	Section 4, Competition Act 2002 (new amended 2023)	Article 102 TFEU	Section 2, Sherman Antitrust Act
Regulator	Competition Commission of India (CCI)	European Commissi on / NCAs	DOJ / FTC
Standard	Abuse of dominant position; effects-based analysis	Preventive / per se + effects based	Willful monopolizatio n; consumer harm proof required
Dominance Threshold	No fixed share; market strength + independence from competitive forces	>50% market share (rebuttable presumpti on)	Monopoly power + exclusionary conduct
Key Film Case	Ajay Devgn Films v YRF FICCI Multiplex case	Paramount -style cases streaming platform inquiries	United States v. Paramount (1948); Google Play (2024)
Digital Market Reform	Competition (Amendment) Act, 2023; settlement mechanism (2024)	Digital Markets Act (2022); DMA enforceme nt (2024)	American Innovation and Choice Online Act (proposed)

Source: Compiled by the authors from Competition Act, 2002; TFEU Article 102; Sherman Act, 1890; OECD (2019); Norton Rose Fulbright (2024)

IV. Manifestations of Dominance Abuse in the Indian Film Industry

i. Exclusive Distribution and Exhibition Contracts

A prevalent kind of anti-competitive behavior in the Indian film business is exclusive agreements between dominant production companies and multiplex chains, resulting in the prioritization of blockbuster releases over rival or independent films. Such arrangements may entail the allocation of an inequitable number of screens, the designation of optimal viewing time slots for franchise titles while relegating lesser productions to unfavorable showtimes, or revenue-sharing agreements that disadvantage producers lacking sufficient bargaining power for effective negotiation. Such acts may constitute a denial of market access pursuant to Section 4(2)(c) of the Competition Act, 2002.

The case of *Ajay Devgn Films v. Yash Raj Films Pvt. Ltd*. (CCI, 2012) elucidates these relationships. The informant said that YRF exploited its dominating position by coercing exhibitors to provide screens solely to its picture Jab Tak Hai Jaan, thereby limiting the theatrical visibility of the rival film Son of Sardaar. Despite the CCI's eventual determination that no infringement occurred—citing YRF's actions as typical of standard commercial negotiations and the absence of demonstrable competitive restrictions—the case raised significant inquiries regarding tying and leveraging practices within an industry where the combination of a prominent star, a reputable production company, and a financially robust distributor creates a negotiating advantage unattainable by smaller producers.

ii. Collective Dominance and Coordinated Exclusion

In addition to individual dominance, the Indian cinema industry has sometimes seen episodes of collective dominance, wherein trade groups or informal coalitions of prominent producers collaborate to regulate behavior in a manner that constrains competition. The case involving the Film and Television Producers Guild and specific regional film chambers, wherein collective bans and boycotts were purportedly enacted against certain artists, directors, or distributors, exemplifies the competitive risks inherent when industry organizations, comprised of dominant entities, wield coordinated market power.

The pre-CCI conflict between the FICCI cinema Association of India and the United Producers/Distributors Forum—where prominent Hindi film producers collectively delayed releases from cinema chains to negotiate altered revenue-sharing agreements—illustrates the dynamics of coordinated market power. Although the issue arose before the CCI's complete operational authority and was not resolved under the Competition Act, it illustrated the ability of a concentrated group of producers, who collectively dominated the supply of commercially significant Hindi films, to enforce a de facto boycott on a downstream segment of the value chain. Within the analytical framework of modern Indian competition law, such behavior may implicate both Section 3 (anti-competitive agreements) and Section 4 (abuse of dominance), contingent upon the arrangement's structure and its impact on competition.

iii. Exploitative Pricing and Discriminatory Revenue Distribution

A third form of abusive behavior entails the exploitation of market power to impose inequitable terms on commercially dependent counterparts. The CCI's examination of PVR Ltd.'s practices concerning Virtual Print Fees (VPF) notably the persistence of VPF charges beyond the industry-sanctioned sunset period, and the preferential waiver of these fees for major studios while imposing them on smaller producers—illustrates this type of exploitation. VPF payments were initially intended to subsidize the digitization of cinema infrastructure; their continuation as a permanent revenue source, imposed variably based on a producer's commercial importance rather than any objective cost metric, illustrates the exploitative dynamics of a market where exhibitors and distributors possess structural dominance over independent content creators.

This behavior aligns with the broader classification of exploitative abuse acknowledged under both Indian and EU competition law: the imposition of conditions absent in a typically competitive market, which adversely affects the trading counterpart without yielding proportional efficiency benefits or consumer welfare improvements. The economic impact is to increase the effective cost of market participation for smaller producers, therefore safeguarding the competitive advantage of dominating studios whose scale shields them from such expenses.

iv. Algorithmic Gatekeeping via Over-the-Top Platforms

The most innovative and structurally important form of potential exploitation in the modern Indian film industry pertains to the market dominance wielded by major OTT streaming platforms via algorithmic content curation, proprietary data advantages, and the integration of content production and distribution. Platforms like Netflix and Amazon Prime Video concurrently commission original content and manage the distribution framework through which all material, including that of independent producers, must traverse to reach customers. This dual duty engenders a fundamental conflict of interest, mirroring the vertical integration issues that prompted the initial Paramount decrees in the United States. The CCI's 2024 inquiry into Google's Play Store practices within the smart-TV operating system sector culminating in a settlement order in 2025 under the newly instituted Settlement Regulations 2024 indicates an increasing institutional recognition of how platform intermediaries may exploit dominance in related markets to stifle competition. The principle established in this case, that algorithmic control over user access represents a form of market power subject to competition law examination, has significant implications for OTT platforms that serve as the primary gatekeepers of film and entertainment content for hundreds of millions of Indian consumers

V. Economic Analysis of Market Concentration and Its Welfare Implications

I. Allocative and Productive Inefficiency

From the standpoint of welfare economics, market concentration in film production results in many quantifiable detriments. Allocative inefficiency occurs when resource distribution among content kinds deviates from the outcomes that competitive conditions, which mirror authentic consumer choices, would yield. Preeminent production companies, functioning in an environment of diminished competitive constraints, consistently overallocate resources to high-budget franchise content, sequels, and adaptations of existing intellectual property, while inadequately investing in original, experimental, or regionally diverse storytelling. This issue transcends aesthetic considerations, as Motta (2004) illustrates; such misallocations result in welfare losses by not providing the diverse content that customers would seek if presented with authentic choices.

The concentration of market power produces productive inefficiencies as dominant enterprises, shielded from competitive pressures, possess diminished incentives to reduce costs or engage in organizational innovation. Evidence from India indicates that average multiplex ticket prices have increased by approximately 15% since 2020, while theatrical admissions have decreased, with only 11 Hindi films surpassing the INR 1 billion box office mark in 2024, a decline from 17 in the previous year. The contrast between increasing prices and decreasing attendance aligns with the theoretical expectation that dominating market systems, unrestrained by competitive pricing, capture consumer surplus while providing diminishing value.

ii Dynamic Inefficiency and the Stifling of Innovation

Dynamic inefficiency - the diminishment of innovation and long-term productive capacity constitutes a significant economic cost of market concentration in creative industries. The National Bureau of Economic study (NBER, 2022) conducted empirical study revealing a 30–40% decline in story diversity in markets controlled by a limited number of production conglomerates, as commercial risk aversion influences content decisions towards formulaic, franchise-oriented outputs. This trend, well-documented in Hollywood, is increasingly evident in Indian cinema, where the dominance of specific production houses correlates with a concentration of creative risk in recognizable stars and established narrative conventions, undermining the creative experimentation that has historically fueled artistic and commercial revitalization in the industry.

The artificial selection methods employed by leading streaming sites exacerbate these dynamics. Recommendation systems that prioritize short-term engagement metrics such as watch time, completion rates, and reengagement frequency typically promote content akin to previously viewed material, establishing feedback loops that favor production companies with established catalogs while disadvantaging innovative or unfamiliar content. Scholars of the cultural economy have noted that the outcome is a digitally mediated replication of the logic articulated by Adorno and Horkheimer in their critique of the culture business, wherein creative value is subordinated to the demands of market efficiency and mass reproducibility.

iii Measuring Welfare Losses

Although accurate welfare loss assessments for the Indian film industry are methodologically complex necessitating comprehensive data on counterfactual pricing, output levels, and content diversity that is not publicly accessible existing proxies indicate that the economic repercussions of market concentration are significant. The International Monetary Fund and related research institutions have estimated that global annual welfare losses due to output inefficiencies and inflated pricing in concentrated media markets range from USD 50 to 100 billion, with India's share approximated at USD 2 billion annually (IMF analysis cited in CCI, 2022 NBER, 2022). These estimates, albeit inherently imprecise, highlight the policy importance of vigorous competition enforcement in the film and media industry.

The monopsony aspect of the issue warrants specific consideration. When a limited number of dominant production companies or streaming services exert buyer power over the market for creative talent—such as writers, directors, cinematographers, actors, and technical staff—they can suppress wages, limit creative freedom, and deteriorate the employment conditions of the workforce that produces the industry's economic and cultural value. This phenomenon is not exclusive to India; the prolonged WGA and SAGAFTRA strikes in the United States in 2023 led to a 40% reduction in U.S. film and television production volumes in 2024 and an estimated USD 5 billion loss to California's economy, highlighting the structural fragility of creative workers in concentrated media markets (Entertainment Partners, 2025 Hollywood Reporter, 2025).

Indicator	Finding	Timeline-Year	Sources
India M&E sector total revenue	INR 2.5 trillion (US$29.4 Bn)	2024	FICCI-EY, 2025
India film theatrical revenue	INR 187 billion (5% decline)	2024	FICCI-EY, 2025
Films released in India	1,600+	2024	EY / FICCI, 2025

Hindi films grossing INR 1 Bn+	11 (down from 17 in 2023)	2024	FICCI-EY, 2025
India M&E sector projected revenue	INR 3.3 trillion	2028 (forecast)	FICCI-EY, 2025
Top-10 producers: share of box office	60% of total collections	2023-24	FICCI-EY, 2023
HHI for Indian film production	2,500 (moderately concentrated)	2023	FICCI-EY / CCI (est.)
Avg. multiplex ticket price increase (India)	+15% since 2020	2023	BookMyShow, 2023
Global welfare loss: media monopolies (est.)	USD 50-100 Bn annually	2022	IMF / NBER, 2022
India's share of global media welfare loss (est.)	~USD 2 Bn annually	2023	IMF / CCI analysis
Narrative diversity decline (concentrated markets)	30-40% reduction	2022	NBER, 2022
Global content streaming market	USD 143.69 billion	2024	ElectroIQ, 2026
Global video streaming market (projected)	USD 416.8 billion	2030 (forecast)	Grand View Research, 2025

Source: Compiled from FICCI-EY (2023, 2025), CCI (2022), NBER (2022), BookMyShow (2023), Grand View Research (2025), ElectroIQ (2026)

VI. Regulatory Challenges and Policy Recommendations

i. Defining Relevant Markets in a Converging Ecosystem

The most technically demanding challenge confronting competition regulators in the film sector is the definition of relevant markets in conditions of rapid technological convergence. Traditional competition law methodology, which assesses substitutability between products or services to demarcate market boundaries, was designed for relatively stable market structures. It fits imperfectly with an ecosystem in which theatrical releases, satellite broadcast rights, OTT subscription content, and digital purchase or rental windows simultaneously compete for and complement each other, depending on the relevant window, audience segment, and content category in question. The progressive integration of previously distinct markets—theatrical distribution, television broadcasting, and digital streaming makes it possible for dominant players to leverage power across market segments in ways that traditional market definition struggles to capture. A vertically integrated studio that produces content, controls its OTT distribution, and participates in multiplex exhibition chains simultaneously occupies positions in multiple adjacent markets, potentially using strength in one to foreclose competitors in another.The European Commission's approach to multisided digital platform markets, as laid out in its Digital Markets Strategy and enacted through the Digital Markets Act, provides a valuable methodological template for Indian regulators grappling with similar structural challenges.

ii. Transparency and Data Obligations

A second major regulatory challenge concerns the systemic opacity of commercial arrangements within the Indian film industry. Revenue-sharing agreements between producers and distributors, screen allocation decisions by multiplex chains, licensing terms with OTT platforms, and talent compensation structures are generally governed by non-disclosure agreements and confidentiality clauses, keeping them outside the scope of conventional regulatory scrutiny. This opacity not only impedes the CCI's ability to identify and investigate potential abuses it also prevents market participants particularly smaller producers and independent filmmakers from assessing whether the terms they receive are competitive.

Addressing this challenge requires a structured approach to data transparency. The CCI's own Market Studies have recommended standardized reporting requirements for major players in the distribution and exhibition segments of the film value chain. The OECD's guidance on transparency and accountability in vertically integrated media firms provides a useful international reference point. Proportionate disclosure obligations—tailored to strike a balance between the protection of commercially sensitive information and the need to make anticompetitive arrangements visible to regulators should be considered as part of any comprehensive reform of the regulatory framework governing the film industry.

iii. Digital Market Regulation and OTT Platform Governance

The increasing dominance of OTT platforms in the Indian film economy—as well as their ability to exercise gatekeeping power through algorithmic content curation, exclusive licensing and integrated production distribution operations poses challenges that go beyond the analytical toolkit of traditional ex post competition enforcement. India's Competition (Amendment) Act, 2023 proposed ex ante regulation of digital markets, including deal value thresholds for merger control, and mechanisms for commitment based resolution of conduct concerns, but has yet to take on the equivalent of the EU's Digital Markets Act, with its proactive obligations applicable to designated gatekeeper platforms. The CCI should consider developing dedicated digital media competition guidelines that address self preferencing by platforms that simultaneously produce content and control discovery infrastructure algorithmic transparency obligations to enable assessment of content promotion practices data portability requirements to reduce barriers to entry for competing platforms and interoperability standards to prevent proprietary lock in of content libraries. Critically, any such framework should be designed to preserve the investment incentives that drive original content production recognizing, as the EU's DMA framework attempts to do, that the goal is not to eliminate platform advantage, but to ensure that such advantage does not constitute an illegitimate barrier to entry or an instrument of competitive foreclosure.

IV. Institutional Capacity and Inter Agency Coordination

Effective competition enforcement in a sector as technically specialized and rapidly evolving as the film and entertainment industry requires not only appropriate legal tools, but institutional capacity commensurate with the complexity of the task.The CCI has shown an increasing degree of analytical sophistication in its approach to digital markets, as exemplified by its 2024 settlement with Google on smart TV operating systems and earlier interventions in online search and app distribution markets, but dedicated sectoral expertise in film and media competition remains an area that warrants further investment . Interagency coordination provides a complementary institutional imperative. The regulatory landscape for India's film and entertainment sector is currently distributed across multiple authorities the CCI for competition matters, the Ministry of Information and Broadcasting for content regulation and licensing, the Telecom Regulatory Authority of India (TRAI) for broadcasting and digital communication infrastructure, and, increasingly, the Data Protection Board under India's Digital Personal Data Protection Act, 2023 for data governance questions that intersect with competition concerns. Coherent policy development across this fragmented institutional landscape requires structured coordination mechanisms perhaps modelled on the formal interagency consultation protocols adopted in the United Kingdom under the Digital Regulation Cooperation Forum.

V. Supporting Independent and Regional Filmmakers

Any regulatory framework that focuses exclusively on the conduct of dominant players while neglecting the structural empowerment of smaller market participants is likely to achieve only partial success. Independent and regional filmmakers who generate a disproportionately large share of India's culturally significant and critically acclaimed cinema operate under persistent disadvantages of scale, access to capital, and negotiating power. They are, in effect, the primary victims of the anticompetitive dynamics this paper documents, and their participation in a genuinely competitive film market is both an economic objective and a cultural imperative.

Policy instruments to address this dimension of the problem should include the development of model contract terms to govern relationships between dominant production houses and independent creators collective bargaining mechanisms to address monopsony power in the labor market for creative talent and targeted public support for regional language cinema, consistent with the cultural policy dimensions of India's Intellectual Property and broadcast regulatory framework. The FICCIEY sector reports have consistently recommended that the promotion of creative diversity and transparent trade practices be treated as coequal objectives with market efficiency in Indian media policy (FICCIEY, 2025).

VI. Conclusion

This paper has examined the phenomenon of abuse of dominance in the Indian film industry from intersecting legal, economic, and comparative policy perspectives. The analysis demonstrates that the Indian film sector, despite its extraordinary scale and cultural vitality evidenced by over 1,600 releases and a sector revenue of INR 2.5 trillion in 2024 exhibits structural characteristics that render it vulnerable to the anticompetitive exercise of market power. Vertical integration between production, distribution, and exhibition the concentration of theatrical revenues among a small number of dominant studios the growing gatekeeping power of OTT platforms and the opacity of commercial arrangements across the value chain together constitute an environment in which abuse of dominance is both possible and, on the evidence reviewed, has periodically occurred.

The comparative legal analysis reveals that India's framework under Section 4 of the Competition Act, 2002 is structurally aligned with the EU approach in its prohibition of abuse rather than dominance per se, and in its progressive adoption of effects based reasoning. The Competition (Amendment) Act, 2023 and the introduction of the Settlement and Commitment regime in 2024 represent important modernizations that enhance the CCI's toolkit for addressing conduct in dynamic, technology mediated markets. However, the pace of regulatory evolution in India's digital economy particularly as it affects the OTT mediated distribution of film content requires further refinement of the framework in the direction of the EU's Digital Markets Act and the ex ante regulatory principles it embodies.

The economic analysis establishes that market concentration in film production and distribution generates measurable costs for consumers, creative workers, and the diversity of cultural expression rising ticket prices, declining theatrical attendance, a 30–40% reduction in narrative diversity in concentrated markets, and estimated annual welfare losses to India's film and entertainment economy on the order of USD 2 billion. These costs are not inevitable consequences of market development they are, at least partially, the product of structural conditions amenable to regulatory intervention.

The reform agenda advanced in Part VI encompassing more sophisticated market definition methodologies for converging digital ecosystems, structured data transparency obligations, OTT specific digital market guidelines, enhanced institutional capacity, interagency coordination mechanisms, and instruments to empower independent and regional creators constitutes the necessary foundation for a regulatory environment in which competition in the film sector can perform its intended function driving creative innovation, protecting consumer welfare, and preserving the cultural diversity that makes Indian cinema a matter of not merely commercial but civilizational significance. In the final analysis, the regulation of market power in the film industry is not merely an exercise in economic management it is an act of stewardship over one of the most powerful instruments of cultural imagination and democratic storytelling that India possesses.

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