



Luthra and Luthra
LAW OFFICES INDIA

COMPETITION LAW ALERT

JULY EDITION

INSIDE

- **CCI dismisses information against Google India (P) Ltd.**
- **CCI dismisses information against 'steel service providers'**
- **CCI dismisses information against Karnataka Film Chamber of Commerce for violation of its previous order dated 27.07.2015**
- **NCLAT upholds CCI's order against soil testing companies for bid rigging but reduces penalty imposed on one bidder**
- **CCI approves acquisition of certain equity shares of Cigniti by Coforge**
- **EC sends Statement of Objections to Microsoft for possibly abusive tying practices regarding 'Teams'**



In the July Edition of Luthra and Luthra Law Offices India – ‘Competition Law Newsletter’, we cover some of the most pertinent developments in the competition law space over the last month.

CCI dismisses information against Google India (P) Ltd.

The Competition Commission of India (CCI) vide order dated [24.06.2024](#) dismissed the Information filed against Google India Private Limited for alleged contravention of Section 4 of the Competition Act, 2002.

The informant alleged that Google favoured Truecaller vis-à-vis other apps providing similar caller ID and spam protection services. It was alleged that while Google allows Truecaller to share private contact information of users, it prohibits other apps from doing so, thereby distorting the market for caller ID and spam protection apps. The informant cited Google’s Developer Policy and Truecaller’s Privacy Policy as evidence and claimed that Google’s preferential treatment stemmed from commercial arrangements, including Truecaller’s use of Google’s cloud storage and ad services, and partnerships with leading Android smartphone manufacturers. The Informant also alleged that Google provided Application Programming Interface (API) to Truecaller to harvest user contact information, which other apps could not access, thus violating Section 4(2)(b) of the Act which *inter alia* prohibits restriction on technical development relating to services to the prejudice of consumers.

While the CCI noted Google’s dominance in the “market for app store for Android smart mobile OS in India”, the CCI noted that the alleged preferential treatment and data access by Truecaller were not substantiated as Informant failed to provide evidence supporting its claims. CCI also held that the presence of other caller ID apps on the Play Store indicated that no exclusive advantage was being accorded to Truecaller. Finally, the CCI concluded that allegations were unsubstantiated and that no prima facie case of contravention of Section 4 of the Act was established against Google. Accordingly, the information was dismissed by the CCI under Section 26(2) of the Act.

CCI dismisses information against ‘steel service providers’

The CCI vide order dated [05.06.2024](#), dismissed an Information filed against certain individuals which as per the informant were “intermediaries identifying themselves as the Steel Service Providers” for alleged contravention of Sections 3 and 4 of the Act.

The members of the Informant were involved in supplying Alang based scrap iron as well as other materials obtained through the recycling of ship remnants. As per the informant, customers used to directly approach the members of the Informant, who would communicate the price of commodities to the customers and there was no need for intermediaries.

However, the grievance of the Informant was that since the past 2 years, certain individuals were trying to manipulate the pricing system by spreading false rumours in the market about the changes in prices leading to frequent adjustments in the prices of commodities sold by members of the Informant. It was alleged that the dissemination of lower prices of the commodities in the market by the intermediaries compel the members of the informant to sell the same at lower



prices. As per informant, the speculation in prices might seem helpful to the customers in the present scenario, but in the long run, the intermediaries would take complete control of prices which would lead to abuse of dominant position.

While dismissing the information, the CCI noted that the allegations pertain to future/ potential abuse of a collective/ joint dominant position and which cannot be analysed under Section 4 of the Act. For Section 3, the CCI found no prima facie evidence of cartelization. The price determination was noted to result from day-to-day negotiations in a competitive market and consequently the CCI directed the Information to be closed under Section 26(2) of the Act.

CCI dismisses information against Karnataka Film Chamber of Commerce for violation of its previous order dated 27.07.2015

The CCI on [11.06.2024](#) dismissed an information against Karnataka Film Chamber of Commerce, Karnataka Film Producers Association and various functionaries of these Associations (Opposite parties) for violation of Sections 3 and 4 of the Act as well as for disobeying the CCI's order dated 27.07.2015 in Case No. 58 of 2012.

It was alleged that the Opposite Parties were instigating members of Karnataka Film Chamber of Commerce, Karnataka Television Association, and Karnataka Film Producers Association to boycott the informant and ban the release and broadcast of dubbed content, in violation of the CCI's previous order dated 27.07.2015 (Case No. 58 of 2012) wherein the CCI had directed the opposite parties to cease certain anti-competitive practices. The Informant also brought to the notice of the CCI that the Opposite Parties have previously been fined by the Chief Metropolitan Magistrate for violation of CCI's orders under Section 42(3) of the Act.

The CCI however dismissed the information due to the lack of sufficient and credible material and due to the informant's failure to provide the clarifications requested by the CCI.

NCLAT upholds CCI's order against soil testing companies for bid rigging but reduces penalty imposed on one bidder

The National Company Law Appellate Tribunal (**NCLAT**) vide its judgment dated 02.07.2024 upheld the CCI's order dated 04.04.2022 which had found several soil testing companies guilty of rigging the tenders issued by the Department of Agriculture, Uttar Pradesh and thus violating the provisions of Sections 3 of the Act.

While upholding the findings of the CCI, the NCLAT noted that it would be reasonable to take the total turnover into account for the computation of penalty in circumstances where the relevant turnover is zero (since these enterprises were first-time bidders). The NCLAT further observed that since one of the parties merely played a supporting role in the cartel by submitting cover bids and did not win any bid itself, it was eligible for a comparatively lesser penalty than other cartel members and hence, the NCLAT lowered the penalty to 3% (from 5%) with respect to one of the contravening parties.



CCI approves acquisition of certain equity shares of Cigniti by Coforge

The CCI has approved the acquisition of at least 50.21% and upto 54% shareholding of Cignity Technologies Limited (**Cignity**) by Coforge Limited (**Coforge**). The Notice was filed by Cignity pursuant to the execution of share purchase agreements and the mandatory open offer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Both Cignity and Coforge are public companies engaged in the provision of Information Technologies (**IT**) and Information Technology Enabled Services (**ITES**) and its sub segments in India.

EC sends Statement of Objections to Microsoft for possibly abusive tying practices regarding 'Teams'

The European Commission (**EC**) vide press release dated [25.06.2024](#), has issued Statement of Objections to Microsoft for possible violation of Article 102 of the Treaty on the Functioning of the European Union (**TFEU**) i.e. abuse of dominant position. The EC is of a preliminary view that Microsoft has breached EU Antitrust Rules by tying its communication and collaboration product Teams to its popular productivity applications included in its suites for businesses Office 365 and Microsoft 365.

Teams is a cloud-based platform for teamwork and communication. It combines Microsoft's and other companies' workplace tools with other applications, and provides features like messaging, calling, video conferencing, and file sharing.

The EC is concerned that Microsoft may have granted Teams a distribution advantage by not giving customers the choice whether or not to acquire access to Teams when they subscribe to their SaaS productivity applications. This advantage may have been further exacerbated by interoperability limitations between Teams' competitors and Microsoft's offerings. The conduct may have prevented Teams' rivals from competing, and in turn innovating, to the detriment of customers in the European Economic Area.



This newsletter is only for general informational purposes, and nothing in this edition of the newsletter could possibly constitute legal advice (which can only be given after being formally engaged and familiarizing ourselves with all the relevant facts). However, should you have any queries, require any assistance, or clarifications with regard to anything contained in this newsletter (or competition law in general), please feel free to contact G.R. Bhatia/ Arjun Nihal Singh, at the below mentioned coordinates. © Luthra and Luthra Law Offices India 2024. All rights reserved.

KEY CONTACTS



G.R. BHATIA

Partner

Email - GBhatia@luthra.com



ARJUN NIHAL SINGH

Partner Designate

Email - ansingh@luthra.com



MANAV GUPTA

Associate

Email - manavg@luthra.com



SANYAM JUNEJA

Associate

Email - sjuneja@luthra.com



NEW DELHI

1st and 9th Floors, Ashoka Estate,
24 Barakhamba Road, New Delhi - 110 001
T: +91 11 4121 5100 F: +91 11 2372 3909
E: delhi@luthra.com



MUMBAI

20th Floor, Indiabulls Finance Center,
Tower 2 Unit A2, Elphinstone Road,
Senapati Bapat Marg, Mumbai - 400 013
T: +91 22 4354 7000 / +91 22 6630 3600,
F: +91 22 6630 3700
E: mumbai@luthra.com



BENGALURU

3rd Floor, Onyx Centre, No. 5, Museum Road,
Bengaluru - 560 001
T: +91 80 4112 2800 / +91 80 4165 9245
F: +91 80 4112 2332
E: bengaluru@luthra.com



HYDERABAD

Regus Midtown, Office No.131
Level 1, Midtown Building
Road No.1, Banjara Hills,
Opp. Jalgam Vengal Rao Park
Hyderabad, Telangana - 500034
T: +91 40 7969 6162
E: hyderabad@luthra.com



CHENNAI

Prestige Palladium Bayan,
8th Floor, Greams Road, Nungambakkam Division,
Egmore, Chennai - 600 006,
Tamil Nadu
T: +91 95604 88155
E: chennai@luthra.com