



## COMPETITION COMMISSION OF INDIA

Case No. 01 of 2019

### **In Re:**

#### **Shravan Yadav**

2518/1, 14th Main Road,  
Kumaraswamy Layout,  
Bangalore South, Bengaluru,  
Karnataka, 560078

**Informant No. 1**

#### **Amitsinh Tanvar**

2/Parishram Park,  
Kanpura, Tapi, Vyara,  
Gujarat, 394650

**Informant No. 2**

#### **Lavmeet Kataria**

Plot No. 148, Janak Vihar,  
Sirsi Road, Jaipur,  
Rajasthan, 302034

**Informant No. 3**

### **And**

#### **Volleyball Federation of India**

Room No. 72,  
Jawahar Lal Nehru Stadium,  
Chennai, 600003

**Opposite Party No.1**

#### **Baseline Ventures (India) Private Limited**

Awfis Chemtex House, 6th Floor,  
Near Main Street, Chemtex Lane,  
Sainath Nagar, Hiranandani Gardens,  
Mumbai, Maharashtra, 400076

**Opposite Party No.2**



## CORAM

**Mr. Ashok Kumar Gupta**  
**Chairperson**

**Ms. Sangeeta Verma**  
**Member**

**Mr. Bhagwant Singh Bishnoi**  
**Member**

## Appearances during the final hearing held on 16.03. 2021

*For the Informant* : Mr. Ashish Kothari, Advocate

*For the VFI* : Mr. Jayant Kumar, Advocate

*For the Baseline* : Mr. Sandeep Bisht, Advocate  
Mr. Raman Grover, CEO

## Order

### **Background**

1. The present information has been filed under Section 19(1)(a) of the Competition Act, 2002 (the ‘Act’) by Mr. Shravan Yadav (**‘Informant No.1’**), Mr. Amitsinh Tanvar (**‘Informant No.2’**) and Mr. Lavmeet Katariya (**‘Informant No.3’**) (collectively referred to as the **‘Informants’**) against Volleyball Federation of India (**‘Opposite Party No.1’/‘VFI’**) and Baseline Ventures (India) Private Limited (**‘Opposite Party No.2’/‘Baseline’**) alleging, *inter-alia*, contravention of the provisions of Sections 3 and 4 of the Act.
2. VFI is a National Sports Federation (**‘NSF’**) for volleyball in India recognised by the Ministry of Youth Affairs & Sports (**‘MYAS’**), Government of India, *Fédération Internationale de Volleyball* (**‘FIVB’**) and Indian Olympic Association. It is the



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exclusive holder of all the rights pertaining to volleyball including commercials associated with it.

3. Baseline is a company registered under the Companies Act, 2013 and is, *inter-alia*, engaged in the business of providing consultancy services, arranging sponsorships, marketing brands and sports events, brand licensing, including providing consultancy for sports management, celebrity endorsements and management, *etc.*
4. The Informants are volleyball players registered with VFI. The Informants contended that, in 2015, VFI decided to organize Volleyball League in India similar to Indian Premier League, Pro-Kabaddi League, *etc.* with the objective of promoting Volleyball in India and to provide much needed impetus to the Indian players to improve their game by playing with world-class players while at the same time, providing them financial incentives. VFI entered into an agreement dated 21.08.2018 (**'Impugned Agreement'**) with Baseline granting it exclusive rights for organizing a Volleyball League for Men, Women and Beach Volleyball in India for the next 10 years. It has been alleged that VFI restricted the market of organising Volleyball leagues for all other persons/enterprises except for Baseline for a period of ten years at any level in India or abroad. VFI has further restricted the availability of Volleyball players for other leagues by imposing restrictions upon them not to participate in any other league in India or abroad. As per the Agreement, the players are restricted from participating even in global events like Asian Games, Olympics or Volleyball World Cup if the dates of the said events clash with Baseline's Volleyball League.
5. The Informants submitted that on 14.02.2018, Mr. Ram Avtar Singh Jhakar, Secretary General of VFI, made an announcement during the auctions of Volleyball League being conducted by Baseline that the winning team of 2019 edition of the said league will represent India in Asian Men's Club Volleyball Championship (**'Asian Championship'**) to be held in Chinese Taipei in April 2019. It was alleged that by way of this announcement, VFI arbitrarily and in abuse of its dominant



position as the sole authority for selecting the Indian team, has taken away the opportunity from thousands of Volleyball players across the country that are not picked by any team in Baseline's Volleyball League, to play in the Asian Championship. VFI also restricted any other Indian Volleyball Club to participate in the Asian Championship.

6. According to the Informants, the above conduct, and practices of VFI and Baseline are in contravention of the provisions of the Sections 3 and 4 of the Act.

**B. *Prima-facie* consideration of Commission**

7. Upon consideration of information, the Commission was of the view that there existed a *prima-facie* case of contravention of the provisions of the Act by VFI. Accordingly, the Commission passed an order dated 07.08.2019 under Section 26(1) of the Act directing the Director General (“DG”) to cause an investigation into the matter. After a detailed investigation, the DG submitted its Investigation Report on 28.10.2020.

**C. Findings of investigation**

8. Findings of the DG are summarised as under:

8.1 *VFI is an enterprise*: VFI is a society registered under the Tamil Nadu Societies Registration Act, 1975 and falls within the term ‘person’ as defined under Section 2(1) of the Act. Further, provisions of the Constitution and Bye laws of VFI give authority to VFI to organise national and international volleyball championships and also collect fees including affiliation from its members through which it generates revenue which is an economic activity in terms of Section 2(h) of the Act. Investigation also revealed that VFI entered into revenue sharing agreement



with Baseline for organising Pro Volleyball League. Accordingly, the DG found VFI to be an enterprise under Section 2(h) of the Act.

8.2 *Relevant market*: The main issues under investigation pertain to the restrictions placed on organising of volleyball league by any enterprise other than Baseline in India or abroad, and restrictions on volleyball players who are part of the Volleyball League to participate in any other league or other national or international events for the next 10 years. Therefore, the relevant product market to assess such restrictions on organisation of the volleyball events would be the “*market for organisation of professional volleyball tournaments/ events*” and the relevant product market to assess the restrictions on volleyball players would be “*market for services of volleyball players*”. VFI being the National Sports Federation (‘NSF’) oversees the game of volleyball by stipulating rules and regulations that are applicable across India and conditions of competition of both the relevant product markets, as delineated above, are similar across the nation, as there is no restriction or special provision provided for the sport of volleyball in any state of India, hence, the relevant geographic market would be the territory of India. Accordingly, the relevant market(s) have been delineated as “*market for organisation of professional volleyball tournaments/events in India*” and “*market for services of volleyball players in India*”.

8.3 *Dominance*: VFI is the sole authority at the national level which governs the sports of volleyball in India. VFI is also the only official organisation affiliated to FIVB and Indian Olympic Association and is in charge of all the matters concerned with the game of volleyball in India. VFI is vested with the authority to organise national championships, select teams to represent India in International competitions and exercises full control over the players, events, leagues, tournaments, sale and promotion of their goodwill, reputation, sponsorship, endorsement rights, media & advertising rights and other commercial rights. All these rights make VFI a *de facto* regulator and an



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exclusive body responsible for the conduct and governance of sport of volleyball. VFI plays a dual role, as a custodian of volleyball in India and as a regulator who grants affiliation and organises the events/tournaments. VFI being the only national level volleyball federation in India, regulatory powers enjoyed by it and being the predominant buyer of the services provided by the professional volleyball players, VFI enjoys dominant position in both the relevant markets i.e. “*market for organisation of volleyball tournaments/events in India*” and “*market for services of volleyball players in India*”

8.4 *Abuse of Dominance*: Upon examination of allegations levelled by the Informants against VFI pertaining to abuse of dominant position through incorporating anti-competitive clauses in the Impugned Agreement, the investigation found that VFI has contravened the provisions of Sections 4(2)(a)(i), 4(2)(b)(i) and 4(2)(c) of the Act. Brief details of contravention found by investigation are discussed as under:

- (a) *Foreclosure of market to prospective organisers for the organisation of volleyball league for the period of 10 years through Clauses 2.2 and 6.1 of the Impugned Agreement*:

In terms of Clause 2.2 and Clause 6.1 of the Impugned Agreement, VFI undertook not to permit or allow any other league of the nature of Pro Volleyball League within territory of India or abroad during the term of agreement, *i.e.* the period of 10 years as well as the renewal and/or extension thereof. Through such clauses in the Impugned Agreement, VFI created entry barriers for new entrants/ enterprises into the relevant market. Investigation revealed that VFI restricted the market of organising volleyball leagues for all enterprises or persons except for Baseline during the term of Impugned Agreement, which is next 10 years. Granting such rights for a long period coupled with restrictions *viz* not to permit or allow any other volleyball league



raised concerns in the sport of volleyball. VFI bound itself not to organise, sanction and recognise any other league or event which could compete with league organised by Baseline. These clauses resulted in denial of market access to any potential competitor and foreclosed the market for organisation of professional volleyball leagues/events in India and abroad thus in contravention of provisions of Section 4(2)(c) of the Act. Accordingly, putting such a restrictive condition for a long term by VFI amounts to abuse of dominant position in the relevant market.

- (b) *Prohibition of players from participation in any other volleyball league of same or similar nature/ format/ idea during the term of the Impugned Agreement as well as its renewal and/or extension through clause 2.6 in the Impugned Agreement:*

During the term of the Impugned Agreement as well as its renewal and/ or extension through Clause 2.6 in the Impugned Agreement, VFI has imposed restrictive condition on the players stating that the players who are participating in the league, will not participate in any other volleyball event/ tournaments of similar nature. This indicated that Opposite Parties have restrained players from participating in any other volleyball league. If the players are restricted for the league organised by Baseline, they would not be allowed to participate in any other league of similar nature. This condition seemed to be anti-competitive as choice of participating in any of the volleyball league should be prerogative of the players. The players have the right to decide in which league they want to participate, or which league will help in boosting their sports career. VFI was not able to demonstrate how such restrictions in the Impugned Agreement were necessary to preserve the integrity of sport and promoting the sport of volleyball.



The imposition of such restrictive and anti-competitive conditions by VFI tantamount to the contravention of provisions of Section 4 (2) (c) of the Act.

- (c) *Prohibition of players from participation in international or national event of volleyball sports that are organised or allowed to be organised during the Term of this Agreement, which may have conflicting interest with the League through clause 2.14 of the Impugned Agreement:*

Investigation revealed that through Clause 2.14, VFI made sure that during the tenure of the agreement no other league of similar nature would be organised internationally or nationally which would be having interest conflicting with that of the league organised by the Opposite Parties. Also, in case any international league is organised which is beyond the control of VFI, it would ensure that the players participating in the league organised by Baseline would not participate in such other international event/ match/ series of matches. Furthermore, VFI ensured that it would neither allow nor permit directly or indirectly any other league of similar nature/ format/ idea to be organised in India. Being the sole regulator of sports of volleyball and organiser of volleyball events; delegation of organising of volleyball leagues to Baseline exclusively; would not only affect the players rather it would also hinder the promotion and development of the sports of Volleyball in India. The above clauses are clear examples of abuse of dominant position of VFI since through these clauses VFI has put a blanket ban on other volleyball events.





- (d) *Restriction on activities relating to Volleyball at state level or district level or local level during the Term of the Impugned Agreement under Clauses 5.1 and 5.2 of the Impugned Agreement:*

VFI has put a blanket ban on organising the Volleyball League not only in India and/ or abroad during the tenure of the Impugned Agreement but also on leagues organised at state or district or local level. When Volleyball events/ tournaments organised by third party are not authorised by the sole body of the sport, the importance of such events/ tournaments is abridged since players with good potential may not like to participate in absence of recognition from VFI as VFI is the only body recognised by Ministry of Youth Affairs & Sports, Government of India, International Volleyball Federation and Indian Olympic Association in India. Thus, putting restriction on activities relating to Volleyball at state, district or local level during the term of the Impugned Agreement is anti-competitive and is in contravention of provisions of Section 4 of the Act.

- (e) *Appointment of Baseline by VFI is arbitrary:*

Investigation revealed that the appointment of Baseline by VFI did not appear to be an arbitrary exercise of power by VFI as Baseline was appointed out of four proposals received which was analysed by core committee of VFI. Accordingly, the investigation was of the view that the decision of appointment of Baseline appeared to be on better financial terms.



- (f) *No remedy available in case of any dispute:*

Investigation brought out that it is important to have an executive committee/ disciplinary committee for regulating a particular sport in a particular manner. However, there should be a provision for an appeal against the finding of such executive committee/ disciplinary committee which is absent in the present case. Investigation was of the view that even in the case of absence of any provision relating to appeal against the finding of such executive committee/ disciplinary committee, the aggrieved player/ party may avail the remedy by approaching the courts having writ jurisdictions.

- (g) *Winning team would represent India in Asia Men's Club Volleyball Championship:*

As regards the contention of Informants that VFI announced that winning team would represent India in Asia men's Club Volleyball Championship, investigation brought out that though the announcement was made by VFI regarding participation of winning team of the Pro Volleyball League, 2019 in the Asia Men's Club Volleyball Championship but it was an announcement merely to promote the participation of clubs as no club had participated in Asia Men's Club Volleyball Championship. Investigation has also brought out that VFI, in their response before the DG stated that such an announcement would not be made in coming years. VFI had also submitted that Indian Volleyball teams for domestic and international tournaments are completely independent of the participation of the players in the league and no special consideration would be given to the players on account of their participation or performance in the League. The DG also found that the entry fee and other expenses viz.



travelling, lodging, and boarding *etc.* were borne by the club itself and no aid was granted by the Government or by VFI for participating in Asia Men's Club Volleyball Championship. DG also observed that VFI admitted that winning team of the Pro Volleyball League, 2019 namely, Chennai Spartans had participated in the Asia Men's Club Volleyball Championship with certain change in the composition of the team. The team of Chennai Spartans which participated in Asia Men's Club Volleyball Championship were having players from Canada and Latvia. Investigation revealed that if the club participating in Asia Men's Club Volleyball Championship were to represent India, it would not have comprised foreign players.

(h) *Amendment to the Impugned Agreement:*

After filing of the information before Commission, the Opposite Parties amended certain clauses of the Impugned Agreement *vide* Addendum dated 13.04.2019. VFI also submitted an Affidavit dated 16.04.2019 wherein it affirmed that no player who participated in the Indian Volleyball League/ Pro Volleyball League organised by Baseline would be restrained from representing India in any match or tournament even if such tournament is taking place during the Pro Volleyball League. It was further affirmed that the players selected to participate in the Pro Volleyball League in 2019 were selected only for the year 2019 and they were not bound to participate in the League for next 9 years. Investigation observed that amendments to the Impugned Agreement were brought into effect after the information was filed before the Commission. The following amendments were made by VFI to the Impugned Agreement *vide* said Addendum:



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Clause No.	Earlier Clause	Amended Clause
2.2	The Federation undertakes not to permit or allow, directly or indirectly, any other league of same or similar nature/ format/ idea as that of the League, to be organised within the territory of India or abroad during the term of this Agreement as well as the renewal and/ or extension thereof	Deleted
2.3	It is further agreed between the parties that BL shall have the exclusive and unfettered rights to further delegate, assign, sell, part with, absolutely or partly, the aforesaid bundle of rights, be it commercial or managerial, to any other person to make League a successful sporting event. BL shall be entitled to incorporate a separate company for the effective discharge of its responsibilities and rights mentioned under this Agreement, and such company shall be bound by the terms and conditions of this Agreement. For the avoidance of doubts, it is hereby clarified that BL shall be entitled to raise funds and/ or bring in investors into such company to co-own the aforesaid rights along with BL in such equity proportions as may be decided by BL and investors, as long as the terms of this Agreement are not amended/ varied/ changed.	It is further agreed between the parties that BL, may with consent of Federation which shall not be unreasonably withheld may further delegate, assign, sell, part with, absolutely or partly, the aforesaid bundle of rights, be it commercial or managerial, to any other person to make league a successful sporting event. BL shall be entitled to incorporate a separate company for the effective discharge of its responsibilities and rights mentioned under this Agreement. For the avoidance of doubt, it is hereby clarified that BL shall be entitled to raise funds and/or bring in investors into such company to co-own the aforesaid rights along with BL in such equity proportions as may be decided by BL and investors, as long as the terms of this Agreement are not amended/ varied/changed.
2.6	Federation undertakes to ensure that the players participate in the League. Federation will provide necessary permissions, and/ or procure necessary permissions to ensure the participation of players in the League. Federation undertakes to ensure that the players who are participating in the League will not participate in any other sports tournament of same or similar nature/ format/ idea	Federation undertakes to ensure that the Players participate in the League. Federation will provide necessary permissions, and/or procure necessary permissions to ensure the participation of Players in the League. Federation undertakes to ensure that the players who are participating in the League will not participate in any other sports tournament during the Season of the League.



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	during the Term of this Agreement as well as its renewals and/ or extension.	
2.11	The policy, guidelines and standards pertaining to match-playing conditions, code of conduct for players and umpires, code of conduct for team officials, clothing and equipment regulations, anti-doping policy, anti-corruption policy, band and content protection guidelines, disciplinary proceedings, dispute resolution procedure will be laid down by BL. BL shall also frame the scope and application of these policies, guidelines and standards. BL shall also draft the guidelines regarding the number of foreign players allowed to be retained in a Team and the minimum age bar of the players along with their qualifying criteria.	The policy, guidelines and standards pertaining to match-playing conditions, code of conduct for Players and umpires, code of conduct for team officials, clothing and equipment regulation, anti-doping policy, anti-corruption policy, anti-racism policy, band and content protection guidelines, disciplinary proceedings, dispute resolution procedure will be laid down by the Governing Council. The Governing Council shall also draft the guidelines regarding the number of foreign players allowed to be retained in a Team and the minimum age bar of the Players along with their qualifying criteria.
2.13	The format of League shall be decided by BL in consultation with the Federation. BL shall be at liberty to follow the same format of the League in each Season, or, at its sole discretion, modify the format during different seasons.	The format of League shall be decided by BL in consultation with the Federation.
2.14	Federation shall ensure that no other international event of volleyball sports are organised or allowed to be organised during the Term of this Agreement which may have conflicting interest with the League. In case any international match or event or series of matches, which are beyond the control of Federation, is organized, the Federation shall ensure that the players participate in the League, and not in such other international event/ match/ series of matches. Federation will also ensure that the League is made visible on the calendar of international volleyball sports.	Federation will endeavour that no other international or national event of volleyball sports are organised during the season of the League which may have conflicting interest with the League. In case of any international match or event or series of matches is organised where the Players can represent India, the Players selected to participate in such matches or event or series of matches shall be released from the League and permitted to participate in such matches or event or series of matches, under the auspices of the Federation, to represent India.
2.16	It is mutually agreed between both the parties that they shall jointly form the Governing Council for taking necessary decisions to timely execute the daily affairs in relation to or arising out of the League. For the avoidance of doubts, it is clarified	It is mutually agreed between both the Parties that they shall jointly form the Governing Council for taking necessary decision to timely execute the daily affairs in relation to or arising out of the League. For the avoidance of doubt, it is



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	that in case of any conflict of opinion between the members of Governing Council, the opinion of BL shall be final and binding on the Governing Council.	clarified that in case of any conflict of opinion between the members of Governing Council, the opinion of Federation will be final and binding on the Governing Council.
5.2	The Federation also undertakes not to allow or consent or permit any other person or association to organize any other league same or similar, at any level, in India or abroad as that of the League, whether at state level or district level. BL also undertakes not to organize any other league of same or similar nature as that of the League, during the Term, in India without the prior intimation of the Federation.	The Federation also undertakes not to consent or permit any other Person or association to organise any other League same or similar in India or abroad as that of the League during the term. BL also undertakes not to organise any other league of same or similar nature as that of the League, during the Term, in India or abroad.

- (i) Upon amendment of the Impugned Agreement, the DG made the following observations for each of clauses which have been amended *vide* addendum dated 13.04.2019, which are discussed as under:
- a. Upon deletion of Clause 2.2 of the Impugned Agreement, the DG observed that deletion of the said clause is an admission of the allegation of the Informants that VFI had imposed restriction on organising volleyball league, which amounted to contravention of provisions of Section 4(2)(c) of the Act.
  - b. Under Clause 2.3 of the Impugned Agreement, VFI had given the authority of further delegation to Baseline. Post-amendment, Baseline was required to seek the consent of VFI before delegating any rights. The unfettered rights earlier provided to Baseline were curtailed through the amendment.
  - c. Clause 2.6 of the Impugned Agreement, which provided for restriction on the players who participated in the league that they will not participate in any other league or tournament/event during the tenure of the Agreement was done away with. In the amended agreement, the restriction prevailed only during the season of the league. Post-



amendment, the players who participate in the league are free to participate in any other tournament/event provided the dates of the tournament does not clash with the date of the league.

- d. Under Clause 2.11 of the Impugned Agreement, the power to frame policy, guidelines and standards for players and employers were given to Baseline. Post-amendment, the power lies with the Governing Council which comprises members nominated by both VFI and Baseline.
- e. As per Clause 2.13 of the Impugned Agreement, Baseline was given the discretion to decide the format of the League. Pursuant to the amendment, the liberty given to Baseline for deciding the format of league was taken away. The format of League would be decided by Baseline in consultation with VFI.
- f. Under Clause 2.14 of the Impugned Agreement, VFI was ensuring that no other international event of volleyball sports could be organised during the term of the Impugned Agreement which would have interest conflicting with that of the league. Further, the said clause placed restrictions on the players who participated in the league not to participate in any such other international events/ match/series of matches. Pursuant to the amendment to the Impugned Agreement, VFI shall endeavour that no other national or international event is organised during the season of the League. Further, restriction on the players stands removed and the players are free to participate in international events/match/series of matches if they are participating in the league organised by Baseline.
- g. As per Clause 2.16 of the Impugned Agreement if there was a conflict of opinion between members of Governing Council, the opinion of Baseline shall be final and binding on the Governing Council. Post-amendment, in case of any conflict between the members of the



Governing Council, the opinion of VFI shall be final and binding on the Governing Council.

- h. Pursuant to amendment to Clause 5.2 of the Impugned Agreement, the word 'allow' has been deleted. Pre-amendment Baseline was required to intimate VFI about any other league, which they would organise, but post-amendment, no such intimation is required.
- (j) The DG observed that Addendum dated 13.04.2019 shows that VFI intentionally entered into anti-competitive agreement with Baseline. By giving exclusive rights to Baseline, VFI has suppressed the choice of League for several players and thus abused its position under Section 4 of the Act. VFI has controlled and limited the availability of players for other leagues as well as for other enterprises to hold the league.

(k) *Termination of the Impugned Agreement:*

Investigation revealed that VFI terminated the Impugned Agreement dated 21.02.2018 vide termination notice dated 19.11.2019 and parties have initiated the arbitration proceedings. The DG observed that the Impugned Agreement was in place for the period 21.02.2018 to 19.11.2019. However, some of the clauses of the Impugned Agreement were amended vide addendum dated 13.04.2019. Thereafter, on 19.11.2019, the said Impugned Agreement was rescinded by VFI. Investigation brought out that the abusive clauses of the Impugned Agreement were in force for the period 21.02.2018 to 13.04.2019 (i.e., from the date of execution to the date of addendum). After examining the conduct of VFI, investigation revealed that there is contravention of provisions of Section 4(2)(c) of the Act for the period 21.02.2018 to 13.04.2019.





#### 8.5 *Violation of Section 3 of the Act:*

With regard to violation of Section 3 of the Act, it has been concluded by the DG that VFI is the sole authority in the market of granting/ licensing organising of Men, Women and Beach volleyball in India. However, Baseline, the only enterprise authorised by VFI, is in the market of organising of Men, Women and Beach volleyball in India. Through the Impugned Agreement, VFI granted exclusive and unfettered rights regarding organising of Men, Women and Beach volleyball in India for 10 years. The various clauses of the Impugned Agreement show that *vide* said agreement, Baseline denied the market access to other competitors of Baseline. VFI refused to deal with any other enterprise apart from Baseline for 10 years and hence controlling the market for other enterprises to hold the league for the next ten years. *Vide* the Impugned Agreement, Opposite Parties also denied the market access to the players desirous of playing in event/ tournament of their choice organised internationally, nationally or any other league of similar nature/ format for the next ten years. Investigation revealed that the conduct of the Opposite Parties by entering into the Impugned Agreement is likely to cause an appreciable adverse effect on the competition in regard to organizing volleyball tournaments and leagues in India, consequently, there is a contravention of provisions of Section 3(4) (d) of the Act by VFI and Baseline for the period 21.02.2018 to 13.04.2019 (i.e. from the date of execution to the date of addendum).

#### **D. Consideration of Investigation Report by the Commission**

9. The Commission considered the Investigation Report of the DG in its ordinary meeting held on 17.12.2020 and decided to forward a copy of the Investigation Report in electronic mode to the Informants and Opposite Parties, for filing their respective objections/ suggestions thereto, if any, latest by 19.01.2021 and serve a copy thereof to the Informants, in advance. The Informants were directed to file their



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objections/ suggestions to the Investigation Report and their replies to the submissions made by the Opposite Parties, if any, latest by 02.02.2021 and provide a copy thereof in advance to Opposite Parties. The Commission further directed Opposite Parties to furnish copies of their audited balance sheets and profit & loss accounts/ turnover for the last three financial years and decided to hear the parties on the Investigation Report on 09.02.2021 through video conferencing. Subsequently, OP-1 and OP-2 filed applications dated 30.01.2021 and 29.01.2021, respectively, seeking extension of time to file their objections/ suggestions to the Investigation Report. The Commission considered aforesaid requests of the Opposite Parties on 03.02.2021 and granted extension of time to them to file their objections/suggestions latest by 26.02.2021 and provide a copy thereof in advance to Informants. Informants were directed to file their respective objections/ suggestions to the Investigation Report and their replies to the submissions made by the Opposite Parties, if any, latest by 12.03.2021 and provide a copy thereof in advance to Opposite Parties. The Commission further directed Opposite Parties to furnish copies of their audited balance sheets and profit & loss accounts/ turnover for the last three financial years *i.e.* 2016-17, 2017-18 and 2018-19, latest by 26.02.2021. The Commission further decided to hear the parties on the Investigation Report on 16.03.2021. In terms of order dated 03.02.2021, VFI and Baseline filed their respective objections/suggestions on 03.03.2021 and 26.02.2021. Informants, however, did not file their objections/suggestions to the Investigation Report.

**E. Objections/suggestions of VFI**

10. A brief of the objections/suggestions filed by VFI is as under:

- a. The Informants stopped pursuing the instant case and thus, the matter should be closed forthwith. When the allegedly aggrieved parties are no longer pursuing the matter, the investigation should be closed, as no purpose will be served in investigating when alleged aggrieved party is no longer an aggrieved party.



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- b. VFI does not enjoy virtual monopoly rights for the sport of volleyball events in India. VFI is not responsible for the conduct and governance of all volleyball events in India. There are many tournaments held at the state or district level.
- c. VFI is not an “enterprise” under Section 2(h) of the Act. VFI does not regulate all the Volleyball events in India. There are many events organized at various levels for which no permission is sought by the organizers nor the VFI is responsible for such events.
- d. There are no regulatory barriers in the sport of volleyball in India, much less, high barriers. Further, VFI does not enjoy dominant position in the relevant market.
- e. DG has not considered that no event, of the nature of a national league, was organized in India in last many years. This shows that there was no existing market for conducting national level Volleyball League in India and such a market was to be developed and created in India by the VFI. It was imperative for VFI that a corporate entity be selected to conduct such a league in India, and it was not possible to have a contract for only a couple of years with that corporate entity as the project entailed risk. No company was coming forward with a less than ten years contract.
- f. DG has wrongly concluded that VFI has denied the market access to any potential competitor. There was no other competitor who has approached VFI or the Commission with an intent to hold such event in India.
- g. DG has wrongly concluded that the addendum dated April 13,2019 executed by the parties was with a view to reflect the true intent of the agreement and the understanding between the parties rather than to amend the agreement. The execution of addendum is, not in any manner, an admission of VFI that certain clauses of the agreement were anti-competitive.
- h. Reliance placed upon the case of *Shri Surinder Singh Barmi Vs. Board for Control of Cricket in India* by the DG is misplaced as the sport of cricket, which has an existing market, cannot be compared with sport of volleyball, which does not have an existing market.



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- i. DG has wrongly concluded that VFI has control over infrastructure and has ability to control entry of another league. Volleyball stadiums are owned by the State governments in respective states. There is no restriction on conducting of any other League in India during the period of the contract. The only restriction was that the VFI will not be a part of any such league and that restriction was important as otherwise the league in India would not have been a possibility.
- j. Clause 2.6 of the Agreement, only restricted that any player should not participate in more than one league with a conflicting schedule at a given point of time. This was necessary as it is a basic requirement for any league that the players are available to participate in the matches of the league. It has been wrongly concluded in the DG Report that Clause 2.14 of the Impugned Agreement in in contravention of provisions of Section 4(2)(c) of the Act.
- k. Clause 5.2 of the Agreement does not restrict any other person from organizing any league because there was no requirement for any third person to take any permission or consent from VFI to organise any league.
- l. DG has erred in holding that deletion of Clause 2.2 of the Impugned Agreement is admission of the allegation of the Informants that VFI has imposed restriction on organising volleyball league by enforcing Clause 2.2 of the Impugned Agreement which amounts to contravention of provisions of Section 4(2)(c) of the Act.
- m. There was no anti-competitive intention of the Opposite Parties and the amendments were carried out in the Agreement to dispel any possibility of misinterpretation of the Agreement and dispel to any allegation of anti-competitiveness made by the informant. Accordingly, clarificatory changes were made in the Impugned Agreement.
- n. DG rightly concluded that appointment of Baseline by VFI was not arbitrary; there is a remedy available in case of a dispute; there was no prohibition on the Informants or any other player for participating in Asia Men's Club Volleyball League; and there is no contravention of the provisions of the Act after the amendment.



## **F. Objections/suggestions of Baseline**

11. A brief of the objections/suggestions/written submissions filed by Baseline is as under:

- a. DG has failed to point out any disproportionality between the alleged acts of the Opposite Parties and their objective of promoting the sport of volleyball.
- b. DG failed to appreciate that the alleged clauses of Impugned Agreement dated 21.02.2018 between the Opposite Parties were essential for integrity, continuity, organization, and conduct of the Volleyball League.
- c. The entire DG report is ignorant of the principle of “*Specificities of Sport*” which is a worldwide accepted exception of the competition law.
- d. DG has solely relied upon the pyramid structure of the game of volleyball and being ignorant of the fact that the “pyramidal Structure” in sport is followed throughout the world, failing which the world would observe multiple Olympic games/World championships which situation is completely absurd.
- e. The purpose of the Impugned Agreement is to protect the integrity of the sport, protect the public’s confidence in the ability of VFI to take any action necessary to safeguard the integrity of sports. Further, the Impugned Agreement was entered into with the objective of organizing professional volleyball league, wherein Baseline agreed to invest and organize the league in consideration of exclusive rights being provided by VFI. The Opposite Parties entered in the said agreement to promote the sport of volleyball and the same does not amount to abuse any of the market factors, leave aside the dominant position.
- f. Reliance placed by the DG upon *Surinder Singh Barmi and Board for Control of Cricket in India* (Case No. 61 of 2010), *Hemant Sharma & Ors. and All India Chess Federation* (Case No. 79 of 2011) and *Dhanraj Pillay and Ors and Hockey India* (Case No. 73 of 2011) is erroneous in facts as well as law.



- g. The Impugned Agreement does not restrict the private bodies to conduct their own league, and the only restriction therein is about involvement of VFI in such league.
- h. Clause 2.2 of the Impugned Agreement contemplates that VFI will not approve any other league during the term of agreement. Such exclusive rights are given to the organizer in lieu of the high upfront amount offered or given by such organizer, and with intention to make the tournament/ league a success. The clause neither restricts nor penalizes any private body to conduct its own league. Even the restriction regarding players is limited to only those players who exercise their option to participate in the league. There is no restriction on any private professional league by virtue of the Impugned Agreement. It has been further submitted that this is a prevalent market practice wherein the organizer or team owner exercise a reasonable restriction on the selected players as they are paid a reasonable amount for such participation. It is apposite to note that group like Reliance (erstwhile IMG Reliance) owns the exclusive rights in the sports of football in India for a term of 15 Years in lieu of an amount paid to AIFF (All India Football Federation). The practise of acquisition of exclusive rights by the organizer / sports marketing companies from the respective Federation goes on from Pro Kabaddi League to professional league in the sports of Wrestling, Badminton, and Table Tennis *etc.* Further, the restriction on selected players from participating in other league exist in all such other league being conducted from an older time.
- i. Clause 2.6 of the Impugned Agreement has imposed restrictions upon the players participating in the league and does not extend to all players of volleyball. The player not participating in the league are free to participate in any league of similar nature. None of the Opposite Parties compelled any players to participate in the Pro Volleyball League and is by their own choice that the players have opted to play in the said league. The restriction being imposed upon the players participating in the league is necessary for



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safeguarding the interest of the franchises engaging such players in lieu of consideration amount being decided between the players and franchiser as per agreement between them.

- j. Under Clause 2.14 of the Impugned Agreement, it is clarified that no such restriction was imposed upon the players to participate in international events pertaining to national interest.
- k. The finding of DG that amendment of said agreement by way of addendum dated 13.04.2019 is itself an admission of the unamended clause being anti-competitive, is not only absurd but also are unknown in law and against the principle of nature justice.
- l. In any case, Baseline has faced huge losses in conducting Pro Volleyball League. The agreement between OP-1 & OP-2 has already been terminated. Hence apprehension of Informants with respect to the future operations stands settled. Baseline suffered a loss of Rs 2,66,51,451/- for season-1 of the Pro Volleyball League conducted during 2018-19.

#### **G. Written submissions of Informant**

Neither was any written response on the DG report was received from the Informants nor any submissions received after the hearing held before the Commission.

#### **H. Analysis and findings of the Commission**

12. The Commission has perused the information, the Investigation Report, the suggestions/ objections to the Investigation Report filed by the parties and other material available on record as well as the contentions raised by the parties in the virtual hearing held on 16.03.2020. Upon consideration of the aforesaid, the following issues arise for determination in the present matter:

*(ii) What is/are the relevant market(s)?*

*(iii) Whether VFI enjoys dominant position in the relevant market(s)?*



(iv) *Whether VFI is in contravention of the provisions of Sections 4 and 3(4) of the Act?*

13. Before dealing with the merits of the case, the Commission would first deal with the preliminary issue whether VFI is an ‘enterprise’ within the meaning of Section 2(h) of the Act.
14. The Commission notes that Section 2(h) of the Act defines the term ‘enterprise’ as under: *“enterprise” means a person or a department of the Government, who or which is, or has been, engaged in any activity, relating to the production, storage, supply, distribution, acquisition or control of articles or goods, or the provision of services, of any kind, or in investment, or in the business of acquiring, holding, underwriting or dealing with shares, debentures or other securities of any other body corporate, either directly or through one or more of its units or divisions or subsidiaries, whether such unit or division or subsidiary is located at the same place where the enterprise is located or at a different place or at different places, but does not include any activity of the Government relatable to the sovereign functions of the Government including all activities carried on by the departments of the Central Government dealing with atomic energy, currency, defence and space. The term ‘person’ in turn has been defined under Section 2(1) of the Act to include ‘a co-operative society registered under any law relating to cooperative societies. (emphasis added)*
15. Hence, it may be noted that the definition of ‘enterprise’ is wide enough to include within its purview any economic activity carried on by any entity. As per this definition, an entity which is engaged in any activity relating to production, storage, supply, distribution, acquisition or control of any article or goods, or provision of services is an enterprise if the activity in question is an economic activity. An activity can be considered as an economic activity if an entity is operating in some market and where there are buyers and sellers.





16. As stated earlier, DG has found that VFI is an enterprise under Section 2(h) of the Act.
17. From the facts of the present case, the Commission notes that VFI is a society registered under the Tamil Nadu Societies Registration Act, 1975 and is thus a 'person', as defined in Section 2(1) of the Act. The Government of India recognises VFI as NSF for the sport of volleyball. VFI is also the only organisation from India to be recognised by and affiliated to FIVB, which is the International body governing the sport of volleyball. In terms of its Constitution and Byelaws, VFI has *inter-alia* been established to organise national and international championships. Organisation of volleyball events/ tournaments is, *inter-alia*, a revenue generating activity and falls within the ambit of services covered under Section 2(h) of the Act. Thus, the fact that VFI has a mandate to undertake the economic activity of organizing volleyball events tournaments under its Constitution, makes it an enterprise as per the Act.
18. The decisional practice of the Commission has also been to regard sports federations as 'enterprise' if they are engaged in activities covered under Section 2(h) of the Act. Reference is drawn to the decisions of the Commission in *Dhanraj Pillay and others v. Hockey India* (Case No. 73 of 2011), *Surinder Singh Barmi v. Board for Control of Cricket in India* (Case No. 61 of 2010) and *Hemant Sharma & Ors. v. All India Chess Federation* (Case No. 79 of 2011) in this regard. Subjecting economic activities of sports federation to competition law is also consistent with the practices followed by mature competition regimes like the European Union. In *Motosyklististiki Omospondia Ellados NPID (MOTOE) v. Elliniko Dimosio* [Case No. C-49/07 (2008) ECR I - 4863], it was held that "A legal person whose activities consist not only in taking part in administrative decisions authorising the organisation of motorcycling events, but also in organising such events itself and in entering, in that connection, into sponsorship, advertising and insurance contracts, falls within the scope of Articles 82 EC and 86 EC."



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19. In the light of above, the Commission concludes that since VFI is a legal person which has been engaging in organisation of professional volleyball events/ tournaments as well as in incidental revenue generating activities, performance of these activities by VFI is found to be sufficient to hold it as an enterprise as defined under Section 2(h) of the Act.
20. Having dealt with the preliminary issue, the Commission proceeds to deal with the issues framed by the Commission.

***Issue 1: What is/are the relevant market(s)?***

21. In any case of alleged abuse of dominant position, delineation of relevant market is important as it sets out the boundaries of competition analysis. Proper delineation of relevant market is necessary to identify in a systematic manner, the competing alternatives available to the consumers and accordingly the competitive constraints faced by the enterprise under scrutiny. The process of defining the relevant market is in essence a process of determining the substitutable goods or services as also to delineate the geographic scope within which such goods or services compete. It is within the defined product and geographic boundaries that the competitive effects of a particular business conduct are to be assessed. Section 2(r) of the Act defines ‘*relevant market*’ as the market determined with reference to the relevant product market or the relevant geographic market or with reference to both. Section 2(s) of the Act defines ‘*relevant geographic market*’ as a market comprising the area in which the conditions of competition for supply of goods or provision of services or demand of goods or services are distinctly homogeneous and can be distinguished from the conditions prevailing in the neighbouring areas. Section 2(t) of the Act defines ‘*relevant product market*’ as a market comprising all those product or services which are regarded as interchangeable or substitutable by the consumer by reason of characteristics of the products or services, their prices and intended use.



22. In the instant case, the DG has found the relevant market to be the market for '*market for organisation of professional volleyball tournaments/events in India and market for services of volleyball players in India*'.
23. Given the nature of findings of investigation in the instant case, the Commission notes that VFI has entered into an arrangement with Baseline, thereby granting some exclusive rights to the said company to hold a Volleyball League and simultaneously placing restrictions on the players participating in the Volleyball League. The Commission notes that the relevant market for assessment of these restrictions needs to be defined by taking into account impugned restrictions and the probable effects which arise from such restrictions.
24. In *Dhanraj Pillay case*, the Commission noted that the sports sector comprises multitude of relationships. For example, a sports federation may be a seller of various rights such as media rights, sponsorship rights, and franchise rights associated with sport events under its purview and correspondingly, there would be a separate set of consumers for each of such rights. However, the ultimate viewers of sport events are the end consumers, who influence the popularity of the sport, which in-turn determines the value proposition of the commercials associated in different verticals. Also, a sports federation requires services of players, officials etc. for staging an event which makes sports federations themselves as consumers. In this multitude of relationships, defining the relevant consumer would enable defining the relevant market.
25. With respect to the assessment of the impugned conduct relating to restriction on the market of organising Volleyball Leagues for all enterprises or persons except for Baseline during the term of Impugned Agreement, the Commission finds that focus should be on organisation of professional volleyball tournaments in India. The Commission notes that every sport has unique characteristics which distinguishes it from other sports and it is unlikely that consumers will regard any other sport or event



as substitutable. Similarly, from an intended use perspective, entertainment from sport may not be regarded as substitutable with other forms of general entertainment. However, the Commission notes that volleyball as a sport is not that popular in India even though it emerges that volleyball tournaments are conducted at National, State and District level. Volleyball tournaments are also conducted by universities, clubs and other organisations. The Commission does not find it necessary to segment or sub-segment the market based on different levels as the impugned restrictions of VFI apply to all types of professional volleyball tournaments/ events organised in India. Accordingly, the relevant product market to assess restrictions on organisations of the volleyball events will be the “*market for organisation of professional volleyball tournaments/events*”.

26. As regards the assessment of the impugned conduct relating to restrictions on volleyball players since VFI entails the services of volleyball players for organising volleyball events/ tournaments, which makes it a consumer of volleyball players and it cannot substitute the service provided by volleyball players with any other service. Accordingly, the relevant product market to assess the restrictions on volleyball players will be the “*market for services of volleyball players*”.
27. As regards the relevant geographic market, it is observed that VFI being the NSF, it governs the game of volleyball by way of stipulating rules and regulations that are applicable across India. As a result, the conditions of competition in both the product markets defined above are homogeneous across the nation and thus, the geographic dimension of both the product markets would cover the whole of India.
28. Accordingly, the Commission concludes that relevant markets in the instant case would be:
  - (a) The ‘*market for organisation of professional volleyball tournaments/events in India*’;



(b) The ‘*market for services of volleyball players in India*’.

***Issue 2: Whether VFI enjoys dominant position in the above defined relevant market(s)?***

29. The DG has observed that VFI being the NSF for the game of volleyball is the only national level volleyball federation affiliated to International Volleyball Federation (FIVB). It is the sole and exclusive authority to regulate and govern the game of volleyball in India, which includes selection of Indian volleyball players, conducting national, open and international tournaments, approving tournaments, placing restrictions on participation of players, *etc.* Based on these factors, DG concluded that VFI enjoys dominant position in the market for conducting and governing domestic and international volleyball activities for both men and women and the underlying economic activities in India.
30. As the factors attributing to dominance of VFI are largely similar in both the relevant markets delineated above, the assessment of dominant position in both the markets are being commonly dealt with in the succeeding paragraphs.
31. The Commission notes that VFI is the only national level volleyball federation in India affiliated to FIVB, which in-turn is the sole and supreme international body governing the game of volleyball. Further, by virtue of its NSF status by MYAS, VFI is vested with the authority to select and field the Indian volleyball team for international level tournaments and to conduct national and international volleyball events in India, *etc.* As a result of these, VFI is the *de-facto* regulator and an exclusive body responsible for the conduct and governance of all volleyball events in India. Further, regulatory powers enjoyed by VFI include right to give permission and rights for organising any volleyball league. Thus, regulatory powers coupled with right to carry out economic activity (such as organising professional leagues) to the exclusion of any other body in the field grants virtual monopoly rights to VFI.



32. These rules undoubtedly confer VFI with control over professional volleyball players in India, who have no bargaining power. As per the rules, the players desirous of participating in FIVB/Asian/Commonwealth Championships are mandatorily required to participate in National Championships organised by VFI. Further, players registered with VFI alone can participate in State, National and International Championships recognised by FIVB and VFI. By controlling the participation of professional Volleyball players in Volleyball events organised by other entities, VFI enjoys control over organisation of Volleyball events. The Commission notes that sports federation like VFI engaged/ involved in organisation of sports events and economic exploitation of such events are put to advantage if they are vested with the authority to approve/sanction organisation of similar events by other entities. Undoubtedly, such advantage is a significant source of market power. Further, VFI's regulatory role empowers it to create entry barriers for other volleyball events other than those organised by Baseline.
33. The Commission has already noted that subjecting the activities of sports association to competition law is consistent with its decisional practice as well as mature competition jurisdictions like European Commission. Regulatory power of any Sports Federation is considered to be a significant source of market power/ dominant position. In MOTOE (*supra*), the Court (Grand Chamber), on the issue of dominance of sports association observed that:

*“...a system of undistorted competition, such as that provided for by the treaty, can be guaranteed only if equality of opportunity is secured between the various economic operators. To entrust a legal person such as ELPA, the National Association for Motorcycling in Greece, which itself organises and commercially exploits motorcycling events, the task of giving the competent administration its consent to applications for authorization to organize such events, is tantamount de facto to conferring upon it the power to designate the persons authorized to organize those events and to set the conditions in which those events are organized, thereby placing that entity at an obvious advantage over its competitors. Such a right may therefore lead to an*



*undertaking which it possesses it to deny other operators access to the relevant market....”*

34. Having due regard to the regulatory powers enjoyed by VFI under the pyramid structure of sports governance and the predominant buyer of the services provided by professional volleyball players, the Commission has no hesitation in concluding that VFI enjoys dominant position in both the relevant markets *i.e.* “*market for organization of professional volleyball tournaments/events in India*’ and ‘*market for services of volleyball players in India*’.

***Issue 3: Whether VFI has abused its dominant position in the said relevant market(s)?***

35. At the outset the Commission notes that competition issues in the sports sector have been dealt with by the Commission in the past, on a few occasions, *albeit* in different sports, than volleyball. These issues usually emerge on account of the inherent conflict of interest that arises when the sports regulator dons the mantle of a business entity. Such a role is neither prohibited, nor can be frowned upon under the provisions of the competition law, if the regulatory powers are not acted upon to stifle competition that may be existent or can likely emerge, having regard to the nature of the sport. The Commission is not unmindful to the peculiarities of each different sport and therefore cannot attempt to ward off all actual or perceived evils adversely affecting competition in such sport through a universal approach.
36. The Commission in this regard notes its earlier decision in Case No. 61/2010 (*Surinder Singh Barmi vs BCCI*) wherein it was held as under:

*“42. At the outset, the Commission notes that competition cases relating to sports associations/federations usually arise due to the conflict between their regulatory functions and their economic activities. Therefore, it is necessary to appreciate whether the impugned clause in the IPL Media Rights Agreement and the impugned rules of the BCCI rules are in place to serve the development of the sport or preserve its integrity or otherwise. If the impugned restrictions impede competition without having any reasonable justification for protection of the legitimate interest of the sport, the same*



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would fall foul of competition law. In *Dhanraj Pillay v. Hockey India* (Order dated 31st May, 2013 in Case No. 73 of 2011), the Commission has noted that “The Commission.....is of the opinion that intent/rationale behind introduction of the guidelines as submitted by FIH relating to sanctioned and unsanctioned events needs to be appreciated before arriving at any conclusions. Factors such as ensuring primacy of national representative competition, deter free riding on the investments by national associations, maintaining the calendar of activities in a cohesive manner not cutting across the interests of participating members, preserving the integrity of the sport, etc. are inherent to the orderly development of the sport, which is the prime objective of the sports associations. Moving further, on the proportionality aspect, the Commission opines that proportionality of the regulations can only be decided by considering the manner in which regulations are applied.”

43. A similar approach is followed in mature competition regimes. The White Paper on Sports issued by the European Commission [COM(2007) 391] states that “...in respect of the regulatory aspects of sport, the assessment whether a certain sporting rule is compatible with EU competition law can only be made on a case-by-case basis, as recently confirmed by the European Court of Justice in its *Meca-Medina* ruling [Case C-519/04P, ECR 2006, I-6991]. The Court provided a clarification regarding the impact of EU law on sporting rules. It dismissed the notion of “purely sporting rules” as irrelevant for the question of the applicability of EU competition rules to the sport sector...The Court recognised that the specificity of sport has to be taken into consideration in the sense that restrictive effects on competition that are inherent in the organisation and proper conduct of competitive sport are not in breach of EU competition rules, provided that these effects are proportionate to the legitimate genuine sporting interest pursued. The necessity of a proportionality test implies the need to take into account the individual features of each case. It does not allow for the formulation of general guidelines on the application of competition law to the sport sector.”

37. The professional sports leagues with different formats have now become a welcome reality in all forms of sports, both for the stakeholder entertainers and consumers of such sport, alike. Sports bodies have roped in professional agencies like Baseline (in this case) to ensure availability of requisite capital, sponsorships, event management as well as business expertise for conducting games and reaping financial rewards out of it, which is stated to be ploughed back for promotion of the concerned sport. Such formats also simultaneously allow the players to compete, showcase their individual and collective skills, allow their performances to be judged for national selection and above all the recognition and financial incentives that follow.





38. In view of the facts and circumstances of the present case, it is seen that the grievances of the Informants stemmed from the alleged one-sided agreement executed between VFI and Baseline whereby much of the former's powers were ceded to the latter, in its quest for development of a professional volleyball league. The accusations in a nutshell were that VFI appointed Baseline in an arbitrary manner, through various anti-competitive clauses of the agreement foreclosed entry of other professional leagues into the game at least for a period of 10 years, denied volleyball players a chance to play in other leagues, if and when they were conducted, gave primacy to the league over national volleyball sporting events, *etc.* The Informants also vehemently contended that, but for various anti-competitive clauses existing in the Impugned Agreement, as they existed and but for the present information having been filed by them before the Commission and the Commission having taken cognizance of the same, there was no occasion for VFI and Baseline to come forward and execute an addendum dated 14.11.2019. The fact of the execution of the addendum in itself is proof enough of the anti-competitive conduct on the part of VFI and Baseline. The said Opposite Parties, however, have sought to negate the accusations against them, as can be seen from their respective objections to the Investigation Report as well as the extensive oral arguments advanced during the course of oral arguments followed by written submissions in supplement thereof, that no anti-competitive clauses ever existed in the original agreement and the addendum was only in the nature of a clarification. According to the said parties, there was no restriction ever in organizing any other professional league at a national or regional level, nor any restriction on any volleyball players in competing in such league, save the chosen players from playing when the league was in season. Further, there was no bar on the empaneled volleyball players in representing the country in national events and VFI was committed to ensure that the league season will not clash with the calendar of the national event when held, which was of prime importance. As sporting infrastructure like stadiums and grounds were not under the control of VFI but under the state governments, there was no occasion for the Opposite Parties to



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have thwarted holding of other volleyball events. The only restriction that was in place according to VFI was that during the currency of the agreement that VFI had with Baseline, the former would not lend its name or formal approval to any other volleyball league. This exclusivity according to VFI was purely with the purpose of promotion and development of an underdeveloped and less popular game like volleyball in the country and without affording such a commitment, it would have been difficult to ensure professional agencies like Baseline on board.

39. The Commission tends to be persuaded with the arguments advanced by Opposite Parties, considering the specificities of the sport of volleyball which is not comparable with other established sports which have gained popularity over the years. The Opposite Parties have stated that from day one there were no restrictions on conduct of another league nor was there any other restriction except to the limited extent stated above. The Commission notes that findings of the DG *qua* majority of the allegations have been answered against the Opposite Parties. Investigation has brought out that with the execution of addendum, the clauses of the agreement which were stated as being anti-competitive have since abated, a fact acknowledged by the Informants, in equal measure during the course of their oral submissions before the Commission. Another important fact is that neither the agreement nor the addendum now exists, with the parties having called off the agreement on 19.11.2019 on account of some financial differences between them. It is understood that the Volleyball League has come to an end with just one season having been held in February 2019.
40. The Commission also notes the argument of the Opposite Parties that considering the present state of the low popularity of the sport, another league was not even feasible at this juncture and that is why no attempt has been made by any other organizers all these years, to introduce a league. The Commission considering the submissions made by the Opposite Parties and taking into account the overall facts and circumstances is of the view that no case of contravention can be found against VFI under Section 4 of the Act and against VFI and Baseline under Section 3(4) of the



Act. There is nothing on record to indicate that players of volleyball much less the Informants were denied any effective opportunity to participate either in the Volleyball League or any other tournament of volleyball, held in the country or abroad during the relevant period. There is also nothing on record to indicate that formation of any other league for volleyball or any tournament during the period was thwarted either directly or indirectly by VFI, as was observed in certain cases, which were brought before the Commission in the past in respect of other sporting events and where the Commission had to intervene.

41. However, the Commission while sincerely wishing that VFI would endeavor to nurture and develop professional volleyball as a sporting event, in its capacity as the regulator of the said sport, it while engaging in commercial and economic aspects, will be careful to not impinge upon the principles of competition law as enshrined under the provisions of the Act. VFI ought to allow equal opportunity, access and a level playing field to organizers, players, and other stakeholders of the sport, bearing in mind its powers, duties and responsibilities. In view of the foregoing the Commission having found no contravention against either of Opposite Parties directs the matter to be closed forthwith.
42. The Secretary is directed to forward copies of this order to all concerned.

Sd/-  
**(Ashok Kumar Gupta)**  
**Chairperson**

Sd/-  
**(Sangeeta Verma)**  
**Member**

Sd/-  
**(Bhagwant Singh Bishnoi)**  
**Member**

**New Delhi**

**Dated:03/06/2021**