

# **Competition Commission of India**



### Case No. 15 of 2014

In Re:

Shri Ram Education Trust 23/24, Maulsari Avenue, Rajokari, New Delhi - 110038

- Informant

#### And

The Chairman, The Shri Ram Schools C/o SRF Foundation Block C, Sector 45, Gurgaon - 122003

- Opposite Party

#### **CORAM**

Mr. Ashok Chawla Chairperson

Mr. Anurag Goel Member

Mr. M. L. Tayal Member

Mr. S. L. Bunker Member

Present: Mr. Sanjay Mishra, Advocate on behalf of the Informant.





#### **ORDER UNDER SECTION 26(2) OF THE COMPETITION ACT, 2002**

- The information in this case has been filed under Section 19 (1) (a) of the Competition Act, 2002 ("the Act").
- 2. The Informant is stated to be a registered educational trust under the Indian Trusts Act, 1982 and, *inter alia*, is engaged in the business of running schools/educational institutions in the brand name of "Shri Ram Centennial School" and "Shri Ram Global School", *etc.* in different cities in India. The Opposite Party is also a registered educational trust and, *inter alia*, is engaged running schools/educational institutions in the brand name of "The Sri Ram School" *etc.* in different cities in India.
- **3.** The alleged dispute between the Informant and the Opposite Party seems to be related with the use of the words 'Shri Ram' in the brand name of their schools. As per the information, both the parties belong to the same lineage of Shriram Family (a name of repute and incredible standing in the provision of educational services) and therefore are prefixing the words 'Shri Ram' with the name of their schools as brand name. It is stated by the Informant that it has the legitimate right and privilege like that of the Opposite Party to use the words 'Shri Ram' as the brand name for its schools as both shares the same family lineage .
- 4. The Informant stated that in order to have a separate identity of its schools and make them distinct and distinguishable from the schools of the Opposite Party it suffixing some other words such as 'Centennial', 'Global', *etc.* to the words 'Shri Ram' as brand name of its schools. The Informant has claimed that not only in terms of brand name but also in terms of reputation, imparting quality education and use of innovative methods in teaching, its schools are different from that of the Opposite Party's schools. The Informant also submitted that its schools are identifiable by the public as independent from that of the Opposite Party's schools have emerged as reputed educational institutions.
- 5. It is averred in the information that the Opposite Party irrationally placed huge hoardings, particularly during the time of admission, nearby the schools of the





Informant at Dehradun (2 places), Indore (3 places), and Gurgaon (1 place). The said hoardings read as:

Important notice from the promoters of The Shri Ram Schools: "We have no relationship with The Shri Ram Global School/Shri Ram Centennial School"

- 6. As per the Informant, the Opposite Party has intentionally placed the said hoardings/advertisements with a deliberate attempt to malign and tarnish the brand name of its schools and to create confusion in the minds of public regarding the credibility and authenticity of its schools. Also, the Opposite Party has not taken any prior permission from it to use the name of its schools in its advertisement which is illegal. Further, the Informant has stated that the Opposite Party has placed the hoardings/advertisements even in the cities where it has no school. It shows the intention of the Opposite Party to unfairly compete with it and to tarnish the brand image of its schools.
- **7.** For the above said conduct, the Informant issued a legal notice to the Opposite Party on 19.02.2014 for immediate withdrawal of the said illegal hoardings and to desist from unnecessarily disclaiming its connection with the schools of the Informant. But, the Opposite Party neither replied to the said legal notice nor withdrew the hoardings/advertisements.
- 8. Based on the above averments, the Informant has requested the Commission to cause an inquiry into the matter; to direct the Opposite Party to desist from putting such derogatory hoardings involving the name of its schools; to impose cost of Rupees One crore for the alleged acts of causing loss of goodwill and to give other reliefs as the Commission may deem fit. The Informant also requested the Commission to issue interim direction to the Opposite Party to desist from placing the aforesaid derogatory hoardings to create unhealthy competition.
- **9.** From the information and other materials submitted by the Informant and the arguments put forth by the learned counsel appeared on behalf of the Informant before the Commission, it emerges that the Informant is primarily aggrieved by the alleged



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unfair and unhealthy competition from the Opposite Party in terms of placing illegal and misleading hoardings/advertisements nearby its schools.

- **10.** Though the Informant has not leveled contravention of any specific provisions of the Act by the Opposite Party, but the facts of the case reveal that the matter relates to the alleged infraction of the provisions of Section 4 of the Act. The examination of the alleged contravention of Section 4 first requires delineation of the relevant market and then, examination of dominance of the contravening enterprise in the relevant market and its abusive conduct.
- **11.** The Commission observes that the controversy in the instant matter is related to the relevant product market of the provision of school education services. Both the Informant and the Opposite Party are competing with each other in the provision of said services in different cities in India. Thus, market of the provision of school education services appears to be the relevant product market in this case. The relevant geographic market seems to be the respective cities where the Opposite Party has allegedly put the misleading hoardings nearby the schools of the Informant such as Gurgaon, Dehradun and Indore. Thus, the relevant market involve in the matter is *"the provision of school education services in the cities of Gurgaon, Dehradun and Indore"*.
- 12. Based on the material available in the public domain and submitted by the Informant, *prima facie*, the Opposite Party does not appear to be in a dominant position in the relevant market defined *supra*. The Informant itself claimed that it has a wider operational spectrum spread across various locations in India whereas the Opposite Party has schools only in two locations such as in Delhi and Gurgaon. Moreover, in the relevant geographic market and other cities in India there are many chains of schools providing education under different brand names such as DAV Public School, Delhi Public School, Ryan International *etc.*, whose market share, size and resources apparently compare more favourably *vis-a-vis* the Opposite Party.
- **13.** Since, the Opposite Party does not appear to be in a dominant position in the relevant market the question of abuse of dominant position by it does not arise.



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- 14. Moreover, the allegations of the Informant do not give rise to any competition concern in the relevant market. The information appears to be a family feud arising from the use of the words 'Shri Ram' in the brand name of their respective schools in order to take advantage of the family name which is well known in public and same has been sought to be projected as a competition issue.
- **15.** Based on the above explanation, the Commission holds that no, *prima facie*, case is made out against the Opposite Party under the provisions of Section 4 of the Act for making a reference to the Director General for conducting investigation into the matter.
- **16.** Accordingly, the Commission deems it fit to close the proceedings of the matter under the provisions of Section 26 (2) of the Act.
- 17. The Secretary is directed to inform the Informant and Opposite Party accordingly.

Sd/-

(Ashok Chawla) Chairperson

Sd/-

(Anurag Goel) Member

**Sd/**.

(M. L. Tayal) Member

Sd/-

(S. L. Bunker) Member

New Delhi Date: 28.04.2014