

COMPETITION COMMISSION OF INDIA

Case No. 04 of 2023

In re:

Shri Sanjay Kumar
Deepsikha, Gali No. 6,
Sumitra Devi Path, North Mandiri,
Patna - 800001

Informant

And

M/s Karagiri Studio
Lane No. 5, Suyojana Society, Meera Nagar,
Koregaon Park,
Pune, Maharashtra - 411001

Opposite Party

CORAM:

Ms. Ravneet Kaur
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

Order under Section 26(2) of the Competition Act, 2002

1. The information in the present matter has been filed by Shri Sanjay Kumar (hereinafter referred to as the '**Informant**') under Section 19(1)(a) of the Competition Act, 2002 (hereinafter referred to as the '**Act**') against M/s Karagiri Studio (hereinafter referred to as the '**Opposite Party**'), alleging contravention of the provisions of Section 4 of the Act.

2. The Informant is a resident of Patna, Bihar and a customer of the Opposite Party, whereas the Opposite Party is an e-commerce enterprise dealing in ethnic wears including silk sarees like Kanjeevaram/ Kancheepuram and Paithani bearing Geographical Indication (GI) tag. It has been disclosed in the information that Kanjeevaram and Paithani sarees are invariably made of silk.
3. As per the information, the Informant had placed two prepaid orders on the website of the Opposite Party on 25.05.2022 for two GI tagged sarees; one was for Ultrapeach Kanjeevaram (*vide* order no. KRGR107411) and another was for Fusica Pink Paithani (*vide* order No. KRGR107414) at the price of Rs. 4594.40/- and Rs. 5877.60/-, respectively.
4. It has been alleged that, in response to the aforesaid orders, the Opposite Party has defrauded the Informant by supplying two spurious (polyester) sarees, in place of GI tagged Kancheepuram and Paithani silk sarees. It has been averred that the sarees supplied by the Opposite Party to the Informant are made of polyester, as tested by the Northern India Textile Research Association (Linked to Ministry of Textile, Government of India). The Informant has enclosed chemical test reports dated 01.07.2022 issued by the Northern India Textile Research Association, which state that the sample of Kancheepuram saree has a blend composition of polyester (72.87%) and silk (27.13%) and the sample of Paithani saree has a blend composition polyester (78.43%) and silk (21.57%).
5. It is the case of the Informant that, in response to his prepaid orders, the Opposite Party has supplied him two sarees which have blend composition of polyester and silk in place of pure silk. The Informant has also alleged that predatory price of goods is being charged by the Opposite Party. The aforesaid conduct has been alleged as abuse of dominant position by the Opposite Party in contravention of the provisions of Section 4 of the Act. Further, the Informant has referred to Section 3(5) of the Act and submitted that Section 40 of the Geographical Indication of Goods (Registration and Protection) Act, 1999

(hereinafter referred to as the 'GI Act') envisages penalty for selling goods to which false GI is applied.

6. Based on the above, the Informant, *inter alia*, has prayed the Commission to pass an order of inquiry into the working of the Opposite Party so as to ascertain whether it indulges in any unfair trade practice and impose a penalty on the Opposite Party for infringing the provisions of the Act and GI Act. The Informant has also prayed the Commission to pass an order to seize spurious goods made by the Opposite Party. Further, the Informant has sought interim relief by way of seeking direction from the Commission to levy a sum of Rs.67,000/- on the Opposite Party towards the price of sarees, lab test expenses, fee paid to CCI for filing the information *etc.* which may be paid to the Informant as compensation.
7. In the ordinary meeting held on 14.06.2023, the Commission considered the information and decided to pass an appropriate order in due course.
8. Having perused the material available on record, the Commission observes that the Informant is primarily aggrieved by the conduct of the Opposite Party in supplying purportedly spurious sarees in response to his prepaid orders dated 25.05.2022, which has been alleged as an unfair trade practice and abuse of dominant position as envisaged under the provisions of Section 4 of the Act. In this regard, the Commission observes that apart from raising bare allegations of unfair trade practice and abuse of dominant position, the Informant has neither suggested any relevant market nor indicated any specific conduct of the Opposite Party that falls under the contours of Section 4 of the Act. Further, even though the Informant made allegations of predatory pricing by the Opposite Party, the said allegation has not been substantiated.
9. Furthermore, from the facts and circumstances of the case, the Commission observes that, in the instant matter, a dispute between a consumer (Informant) and a seller/ supplier (Opposite Party) has been raised as a competition issue. The Commission is of the view that the supply of spurious products and defrauding a consumer appears to be a consumer

issue and, *prima facie*, the same does not raise any competition law concern and, therefore, does not fall within the ambit of the Act. The Commission also observes that the reference made by the Informant to Section 3(5)(d) of the Act and provisions of GI Act is misplaced and the same does not warrant interference by the Commission.

10. In the light of the above analysis, the Commission finds that, *prima facie*, no case of contravention of any of the provisions of the Act is made out against the Opposite Party in the instant case. Accordingly, the matter is closed under Section 26(2) of the Act. Consequently, no case for grant of relief(s) as sought under Section 33 of the Act arises and the request for the same is also rejected. Needless to state that in the event the Informant moves to any forum for seeking redressal of his grievances, the cause of the Informant would be determined in accordance with the applicable law and nothing stated herein, shall be construed as an expression of opinion on the merits of the case.

11. The Secretary is directed to forward a certified copy of this order to the Informant accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Sangeeta Verma)
Member

Sd/-
(Bhagwant Singh Bishnoi)
Member

Date: 06.07.2023
New Delhi