

FAIRFIELD SCHOOL OF LAW
IN COLLABORATION WITH
COMPETITION COMMISSION OF INDIA
ORGANIZING

3rd NATIONAL MOOT COURT COMPETITION- 2024

Moot Proposition

1. **United Tech Connect Enterprises ('UTCE')** stands as a legally incorporated entity in the Sovereign Republic of Zentoria, a nation that has become a beacon of remarkable economic growth on the global stage. Operating within the well-defined statutory framework of Zentoria, UTCE has successfully carved its niche in two pivotal sectors – the production and distribution of cutting-edge mobile devices and electronic gadgets, as well as the provision of telecommunication services. With a firm grip on a substantial 65% market share, UTCE has not only asserted its dominance but has also become an integral force in propelling the thriving Zentorian market forward.
2. The strategic prowess of UTCE extends beyond Zentoria's borders, as it boasts a network of Wholly Owned Subsidiary ('WOS') Companies strategically positioned across the global landscape. Among these, Comlink Enterprises International ('CEI'), a wholly-owned subsidiary, has been meticulously established in Orienta, operating in full compliance with the local regulatory framework, particularly the Orientan Companies Act. Since its inception, CEI has mirrored UTCE's operations, significantly contributing to the company's extensive presence and influence in the Orientan market.
3. Unlike its fellow Wholly Owned Subsidiary ('WOS') Companies scattered worldwide, CEI has been experiencing a meteoric rise in the realms of mobile manufacturing and telecommunication services within Orienta's borders. Notably, CEI has secured an impressive 40% market share in delivering telecommunication services, solidifying its position as the second-largest private telecom service provider in the flourishing Orientan market.

4. On a contrasting note, Surya Connect Networks Limited ('SCNL'), a key player in the telecom services sector, finds its legal incorporation in the Republic of Orienta under the statutory provisions of the Orientan Companies Act. SCNL had, until the year 2020, successfully positioned itself as a formidable competitor in the telecom service provider market, boasting a commendable 20% market share in Orienta. However, the winds of change swept through SCNL in 2021, as significant alterations in management coupled with hasty and aggressive decision-making led the company into financial losses. Consequently, there was a notable decline in SCNL's market share, plummeting from 20% to 15%. This shift underscores the delicate nature of market dynamics and the importance of strategic decision-making in sustaining a strong market position.
5. In the eventful year of 2021, the Board of Directors at Surya Connect Networks Limited took a significant step by convening an Extraordinary General Body meeting. During this meeting, they successfully passed a resolution to merge SCNL with a prominent and thriving telecommunication service provider. This strategic move was fueled by the recognition of the evolving landscape and the need for adaptability in the fiercely competitive telecom industry.
6. In the wake of this resolution, representatives of SCNL embarked on an in-depth research journey, uncovering that United Tech Connect Enterprises (UTCE) was actively exploring avenues to augment its market presence in Orienta. UTCE, with its proven track record, had publicly expressed a keen interest in potential mergers or acquisitions with other telecom service providers, primarily facilitated through its wholly-owned subsidiary, Comlink Enterprises International (CEI). Armed with this knowledge, SCNL's representatives-initiated dialogue with UTCE, conveying their earnest intent to merge with CEI.
7. Should this proposed merger come to fruition, CEI stands to secure a commanding 55% share in providing telecom services in the dynamic Orientan market. This prospective collaboration not only underscores the dynamism of the telecom industry but also reflects the strategic maneuvering necessary for sustained growth and relevance in an ever-evolving market.
8. Prior to the formalization of the merger agreement, on the significant date of August 31, 2021, CEI took a bold step by making a public announcement in the Orientan market. This announcement, with strategic implications, declared CEI's commitment to offering complimentary telecom services for a duration of Eighteen Months from the date of purchase. However, this enticing offer came with a condition – it was contingent upon the acquisition of any model from the array of 10 Chaplus Smart Mobiles, exclusively manufactured by CEI, starting from September 1, 2021. This

strategic marketing move not only aimed to capture market attention but also to stimulate consumer engagement and loyalty, setting the stage for a potentially transformative period in CEI's market presence in Orienta.

9. Subsequent to the successful merger and the impactful public announcement by Comlink Enterprises International (CEI), there unfolded a remarkable surge in the business trajectory of what was now known as Chaplus Smart Mobiles under the umbrella of CEI. The ripple effect of this strategic move was profound, as CEI swiftly ascended to encompass an impressive 65% of the user base in the fiercely competitive telecom service market, further solidifying its dominance with a formidable 49% market share in mobile manufacturing within the Orientan region. However, this surge in CEI's success had wider implications, triggering a significant downturn for other telecom services and mobile manufacturing companies, pushing them into a state of economic depression as they grappled to adapt to the new market dynamics.
10. In response to the formidable offers from CEI, rival telecom service providers, namely **Lareify, Glore Hitch, and PBS Telecommunications**, found themselves compelled to strategize in a bid to safeguard their businesses against the formidable competition. In a confidential meeting, they collectively decided to offer telecom services to the public and their users at rates lower than the prevailing market prices. Despite their concerted efforts, however, the strategic decision of **Lareify, Glore Hitch, and PBS Telecommunications** proved to be futile in the face of CEI's dominant market position, highlighting the challenges faced by incumbents in the wake of a market disruptor.
11. Simultaneously, a parallel scenario unfolded among prominent mobile manufacturing companies, including **AKK Mobi Ltd, VVNR Celtec Pvt. Ltd, and ADS Techlife Pvt Ltd**, jointly holding a substantial 48% market share. In a strategic move aimed at protecting their businesses, these companies convened a confidential meeting where they decided to offer exclusive discounts to the public on their products. This strategic maneuver presented a more competitive edge compared to Chaplus Smart Mobiles in the market. The initiative taken by **AKK Mobi Ltd, VVNR Celtec Pvt. Ltd, and ADS Techlife Pvt Ltd** proved to be effective, impacting the sales of CEI's Chaplus Smart Mobiles and introducing a notable shift in the market dynamics. This dynamic interplay showcases the ever-evolving nature of the market and the strategic acumen required to navigate its intricacies successfully.
12. In October 2021, fueled by their discontent over the public announcement and subsequent user offers made by **CEI and UTCE, Lareify, Glore Hitch, and PBS Telecommunications** took decisive action by lodging a formal complaint with the Competition Commission of Orienta (CCO) at Amarashala. This complaint, officially

designated as Case No. 23 of 2021 within the records of CCO, Amarashala, alleged abuse of dominant position and predatory pricing by CEI and UTCE. In a parallel move, CEI retaliated by filing a complaint against other major mobile manufacturing companies, namely **AKK Mobi Ltd, VVNR Celtec Pvt. Ltd, and ADS Techlife Pvt Ltd**. CEI accused them of forming cartelization and entering into an Anti-Competitive Agreement. This counter-complaint was officially registered as Case No. 42 of 2021 within the records of CCO, Amarashala. Both cases are currently awaiting adjudication before the Competition Commission of Orienta (CCO), Amarashala, underscoring the intensity of the legal battle shaping up in the competitive landscape.

13. Fast forward to November 1, 2021, a significant article surfaced in the leading newspaper, Orienta Today, divulging crucial information that added more layers to the unfolding drama:

- (i) CEI had successfully achieved a dominant position in the telecom service market, capturing an impressive 65% of telecom subscribers in the Country of Orienta.
- (ii) The article shed light on CEI's remarkable business growth post-merger with STNPL, attributing it as a significant factor contributing to its overall success.
- (iii) Notably, CEI was strategically aiming to extend its control over a staggering 90% of telecom subscribers and mobile users in the Country of Orienta by the conclusion of the year 2022, revealing ambitious aspirations that further fueled the ongoing legal disputes.
- (iv) The article also made allegations against AKK Mobi Ltd, VVNR Celtec Pvt. Ltd, and ADS Techlife Pvt Ltd., suggesting their purported intention to monopolize the market with the potential consequence of escalating the prices of mobile phones by the end of the year 2022. These allegations added another layer of complexity to the intricate web of legal and market dynamics, creating an atmosphere of anticipation and uncertainty within the industry.

14. Fight For a Cause ('FC'), a prominent Non-Governmental Organisation (NGO) recognized for its prowess in filing successful Public Interest Litigations (PILs) across the vast expanse of the Country of Orienta, operates diligently within the established framework of relevant statutory regulations. FC, having adhered to the pertinent statutes and regulations, remains actively engaged in its day-to-day operations with the overarching goal of safeguarding public interest throughout the Country of Orienta. In response to the comprehensive article shedding light on the intricate legal battles between telecom giants, FC took a principled stand and initiated a Public Interest Litigation before the esteemed High Court at Amarashala. This litigation

specifically targeted the actions of UTCE through CEI, raising concerns about potential ramifications on consumer welfare and market dynamics.

15. Regrettably, despite FC's earnest efforts, the litigation faced an unexpected setback as it was dismissed by the High Court, burdening FC with costs. This development underscored the complexities and challenges associated with navigating the legal landscape, especially in cases involving high-stakes corporate disputes and market dominance.
16. The Competition Commission of Orienta, recognizing the significance of the ongoing legal tussles, consolidated the two cases—Case No. 23 of 2021 and Case No. 42 of 2021—and issued a unified order on November 15, 2021. In this common order, Case No. 23 of 2021, involving the complaint lodged by Lareify, Glore Hitch, and PBS Telecommunications, was granted approval. However, Case No. 42 of 2021, pertaining to CEI's allegations against AKK Mobi Ltd, VVNR Celtec Pvt. Ltd, and ADS Techlife Pvt Ltd, was dismissed. This pivotal decision set the tone for the subsequent legal proceedings, shaping the trajectory of the ongoing legal battle within the competitive landscape.
17. Not content with the outcome, CEI contested the Common Order dated November 15, 2021, before the esteemed Supreme Court of Orienta, seeking a reconsideration of the decision. The case is currently scheduled for a final hearing, marking a critical juncture in the legal saga that continues to unfold, with far-reaching implications for the telecom industry and the broader competitive landscape of the Country of Orienta.

Note: The legal principles and statutes of the Country of Orienta are in *pari materia* with those of the Union of India.