



COMPETITION COMMISSION OF INDIA

Case No. 24 of 2024

In Re:

XYZ

Informant

And

Woodman Electronics India Private Limited

A-91, Kamla Nagar, Near ICICI Bank,
New Delhi – 110007.

Opposite Party

CORAM:

Ms. Ravneet Kaur

Chairperson

Mr. Anil Agrawal

Member

Ms. Sweta Kakkad

Member

Mr. Deepak Anurag

Member

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

1. The present Information has been filed by an individual (**‘Informant’**) under Section 19(1) (a) of the Competition Act, 2002 (**‘the Act’**) against Woodman Electronics India Private Limited (**‘Opposite Party’/‘OP’**), alleging contravention of provisions of Section 4, Section 2(47) and Section 36A of the Act and Section 21(2) of the Consumer Protection Act, 2019.



2. The Informant is an individual and has sought confidentiality over its identity including name and contact details.
3. The Opposite Party is stated to be engaged in the import and sale of aftermarket Chinese Android head units in India.
4. The Informant has alleged that the Opposite Party is engaged in unfair/anti-competitive behaviour by concealing the Country of Origin ('**COO**') on their products specifically Chinese Android head units sold on its e-commerce website. This lack of transparency misleads consumers and denies them of crucial information about origin of the products they are purchasing/intend to purchase.
5. It is further alleged that the Opposite Party uses a misleading tagline "*India Ka Apna Brand*" in its marketing material, on website and YouTube videos, creating a false impression that the products are of Indian Origin. It also makes false claims including asserting itself as "*India's No.1 Android Car stereo*" on its website and YouTube channel. As per the Informant, such deceptive behaviour of the Opposite Party has a detrimental impact on consumers and distorts market competition.
6. It is stated that unfair practice of the Opposite Party has an adverse impact on consumers by (a) depriving them of crucial information to assess quality, safety and origin of the product and (b) misleading marketing claim '*India ka apna brand*', contributing to a sense of national pride and potentially influencing purchase decisions based on false representations, leading to dissatisfaction and financial loss.
7. The Informant asserted that the aforestated conduct of the Opposite Party has led to market dominance and harming fair competition with other renowned market players like Sony, Blaupunkt and Pioneer, who abide by industry standards but face unwarranted challenges due to afore stated conduct of the Opposite Party.
8. The Informant has *inter alia* prayed for the following reliefs:



- a. To cause an investigation into the unfair trade practices, false claims, and anti-competitive behaviour of the OP;
 - b. Imposing appropriate penalties on the OP;
 - c. Directing the OP to issue a Public Apology on its website and across social media channels, explicitly acknowledging the unfair trade practices, misleading tagline, false claims, and anti-competitive behaviour;
 - d. Direction to the OP to disclose the accurate COO on all products and product pages on its official website;
 - e. Direction to the OP to remove misleading tagline and false claims from all digital and physical marketing materials, including the company logos, website content, YouTube videos (including watermark in videos), franchise banners, franchise videos, ad copies, and all other advertisement materials;
 - f. Compensation for damages: The Informant is stated to have purchased a product of the OP (Woodman WOW 360 DSP car stereo) for ₹25,000 in 2023, assuming it was an Indian brand. However, it turned out to be a low-quality Chinese product manufactured in China which caused damage to car speakers, subwoofer, and other related electronic equipment, resulting in nearly ₹1 lakh in damages; and
 - g. Passing an order requiring OP to disgorge all profits earned as a direct result of their deceptive marketing practices.
9. The Commission considered the matter in its ordinary meeting held on 20.11.2024 and decided to pass an appropriate order in due course.
10. At the outset, the Commission notes that the Informant has alleged contravention of provisions of Section 4, Section 36A, Section 2(47) of the Act and Section 21(2) of the Consumer Protection Act, 2019, through indulging in anticompetitive practice/ unfair trade practice by not disclosing the country of origin, claiming the product to be indigenous in advertisements, on its website, YouTube channel *etc.*
11. In this regard, the Commission observes that Section 2(47) and Section 36A of the Competition Act are incorrectly mentioned by the Informant and no such sections exist in the Competition Act. Moreover, enforcement against false and misleading advertisement under Section 21(2) of the Consumer Protection Act, 2019 is entrusted



to the Central Authority constituted under the Consumer Protection Act, 2019. Accordingly, the Commission proceeded to examine the alleged abusive conduct within the contours of Section 4 of the Act.

12. The first step to examine alleged abuse is to determine relevant market, which has two dimensions- relevant product market and relevant geographic market. The Informant has not delineated any relevant product market. It is noted that the alleged abusive conduct relates to car stereo, also called head unit, which is one of the main components of a car audio system besides amplifier, speakers etc. Since data specifically pertaining to car stereo system/ head units in Indian context could not be found, industry reports available in public domain pertaining to car audio system and its market trends in coming years were perused.
13. As per publicly available information, the car audio market is a growing market globally as well as in Asia Pacific region, including India. The growing automotive industry, technological advancements, ease of availability and affordability are stated to be major growth drivers. There has been a rise in demand for car audio system in the secondary market given the rise in small and mid-range cars as the customers have wider choice in the after-market to look for options according to their budget and requirements. The car audio market appears to be competitive with the presence of established global players such as Sony, Panasonic, Blaupunkt, JVC Kenwood, Harman, Bose etc. as well as various unorganised players.
14. As per details available in public domain, the Opposite Party started selling its products online in 2015 through e-commerce platforms. In 2019, it set up its own website and started selling directly to its customers through its own website. The Opposite Party reportedly earned revenue of Rupees 7.5 crores in the year 2022.
15. In view of the foregoing, the Commission notes that the car stereo market is very competitive with presence of organised players as well as unorganised players. Sony, Panasonic, Pioneer, Blaupunkt, JBL, JVC Kenwood etc. are reputed global players and the Opposite Party appears to be a relatively new as well as small player. Moreover, the



alleged conduct of suppressing the details of country of origin and misleading advertisement appears to be a consumer issue for which remedy lies elsewhere.

16. Given the facts and circumstances of the matter, the Commission is of the view that there appears no requirement of delineating the precise relevant market.
17. In the facts and circumstances of the present case, the Commission finds that no *prima facie* case of contravention of the provisions of Section 4 of the Act is made out against the Opposite Party. Accordingly, the information is ordered to be closed forthwith in terms of the provisions contained in Section 26(2) of the Act.
18. Before parting with the order, the Commission notes that the Informant has prayed for grant of confidentiality over its identity and contact details. Accordingly, in terms of Regulation 36(1) of the CCI (General) Regulations, 2024, the Commission decides to keep the identity and contact details of the Informant confidential for a period of three years from the date of passing of this order.
19. The Secretary is directed to communicate to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Place: New Delhi
Date: 11/12/2024

Sd/-
(Deepak Anurag)
Member