

C.17(1.9)/0997

2011.07.26

The Secretary,
Competition Commission of India,
18-20, Kasturba Gandhi Marg,
New Delhi 110 001

Dear Sir,

**Preliminary Information regarding Facebook and Facebook Credits for violation
of the Competition Act, 2002**

Greetings from CUTS!

Enclosed is a [preliminary information report](#) filed by CUTS regarding Facebook Inc and its virtual currency Facebook Credits. As explained herein, CUTS believes that Facebook can potentially engage in anticompetitive and unfair business practices in the market for virtual goods purchased in social games through its Facebook Credit terms in India and therefore its activities in this regard need to be investigated by the CCI.

We urge the Commission to undertake a detailed investigation though we do hope that in fact Facebook is not engaging in such unlawful activities and will not do so in future. Unfortunately, as a company does in one country, it is likely to do in another as well especially in such countries where antitrust enforcement is not very effective. Another advantage of early investigation may be deterrence; once they realise that in fact enforcement is likely to be as strict as it is in the USA or the EU, they are likely to be much more wary of undertaking such practices here. In fact this is certainly one advantage for multinational companies to want to come to India, because they can escape the strict antitrust laws in their own country. [For reference, we enclose also the complaint filed against Facebook by the advocacy group Consumer Watchdog, USA against Facebook which is self explanatory.](#)

Kindly acknowledge receipt and oblige.

Thanking you,

Yours faithfully,



Pradeep S Mehta
Secretary General