



Case No.66 of 2013

Mr. Larry Lee Mccallister

Informant

And

M/s Pangea3 Legal Database Systems Pvt. Ltd.      Opposite Party 1  
Office 403, Shiv Tower , 14, Patto Plaza Panaji, Goa – 403001

Mr. Christopher Wheeler  
Vice President, Litigation Solutions,  
M/s Pangea3 Legal Database Systems Pvt. Ltd.

Opposite Party 2

Mr. UmairMuhajir  
Vice President, Global Litigation Solutions  
M/s Pangea3 Legal Database Systems Pvt. Ltd.

Opposite Party 3

CORAM:

Mr. Ashok Chawla  
Chairperson

Dr.Geeta Gouri  
Member

Mr.Anurag Goel  
Member

Mr. M. L. Tayal  
Member

Mr. Justice (Retd.) S. N. Dhingra  
Member

Mr. S.L. Bunker  
Member



**Order under Section 26 (2) of Competition Act 2002**

The present information has been filed under section 19(1)(a) of the Competition Act, 2002 ('the Act') by Mr. Larry Lee Mccallister ('the informant') against M/s Pangea3 Legal Database Systems Pvt. Ltd. (OP1), Mr. Christopher Wheeler, Vice President, Litigation Solutions, M/s Pangea3 Legal Database Systems Pvt. Ltd. (OP2) and Mr. Umair Muhajir, Vice President, Global Litigation Solutions, M/s Pangea3 Legal Database Systems Pvt. Ltd. (OP3) alleging *inter alia* contravention of the provisions of sections 3 and 4 of the Act.

2. The informant an American citizen, was working as an expatriate with OP1, as Assistant Vice-President, Litigation Solutions. OP1 is stated to be a market leader in the Indian Legal Process Outsourcing industry having offices in Mumbai, Noida, Bangalore, and New York *etc.*, and is owned and controlled by Thomson Reuters. OP 2 and 3 are senior employees of OP1.

3. The informant sent his resignation notice to the OPs on 12.07.2013 through official email. However, while accepting the informant's resignation, OP No. 2 in his reply through email dated 12.07.2013 reminded the informant about his employment contract and particularly the non-compete clause according to which the Informant could not join any competitor firm of OP's for a period of one year following the date of termination of the agreement.



4. The informant aggrieved by the following clause in his Employment Agreement dated 10.01.2011, has presented this information alleging violation of the provisions of Competition Act.

5. The Commission had heard the informant and considered the material placed by informant before the Commission by way of information. The informant claimed OP-1 to be a dominant player in the market of high quality outsourced legal solutions. He claimed that OP-1 was providing outsourced legal solutions to most reputed companies and law firms and was a dominant player in the field. The informant alleged abuse of dominance by OP-1 because OP-1 entered into an employment contract with the informant with aforesaid clause. The employment contract has nothing to do with the market of providing outsourced legal solutions. Any service provider has to buy equipments and recruit people for providing services and this has nothing to do with his dominance in service market. The Commission, therefore, considers that the position of strength, if any, of OP-1 in the market of providing legal out sourced solutions has nothing to do with the employment contract which OP-1 entered into with the informant. The contract of providing service by an 'expert' to an employer is a contract of an individual with an enterprise or a firm. No relevant service market is involved in this. The issue of dominance in the relevant market thus would not arise. The issue of relevant service market arises only where there is a service provider who provides service to one and all who pay for the service. A person who seeks employment with an enterprise tends to seek maximum salary in lieu of his service to be provided to the



enterprise. Once he enters into contract of employment with the enterprise, he is not a service provider to one and all, nor can his service be purchased by other competitors of the enterprise, so long as he is in employment of that enterprise. All consultants/experts who seek employment negotiate the terms of employment in the very beginning. If an expert is unique kind of expert and is much sought after, he is able to dictate his terms at the time of employment and reverse is also possible where the kind of employee the company is seeking is easily available and there are lot many people seeking job, than the company is able to dictate its terms. In such contracts, no issue of competition arises. A clause in service contract restricting an employee from taking employment with the competitors, after he leaves the employment, for a particular period, raises no competition issue. The employee who enters into such contract negotiates his salary/pay package accordingly and takes into calculations even the period for which he would not be able to provide his expertise to competitors.

6. The case raised no competition issues. The Commission is of the view that no prima facie case was made out for intervention of the Commission. The matter deserves to be closed under section 26(2) of the Act.



7. The Secretary is directed to inform the parties accordingly.

New Delhi  
Dated: 06/11/2013

Sd/-  
(Ashok Chawla)  
Chairperson

Sd/-  
(Dr. Geeta Gouri)  
Member

Sd/-  
(Anurag Goel)  
Member

Sd/-  
(M.L. Tayal)  
Member

Sd/-  
Justice (Retd.) S. N. Dhingra  
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Sd/-  
(S.L. Bunker)  
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