

IN THE COMPETITION APPELLATE TRIBUNAL, ISLAMABAD
(Appeal No. 02 of 2025)

Unilever Pakistan
Limited.....Appellant

Versus

Competition Commission of Pakistan &
another.....Respondent

Present: Justice (R) Muhammad Junaid Ghaffar,
Chairperson.
Dr. Faiz illahi Memon, Member Technical-I
Mr. Asim Akram Member Technical-II.

For the Appellant: Mr. Khawaja Aizaz Ahsan, Advocate.

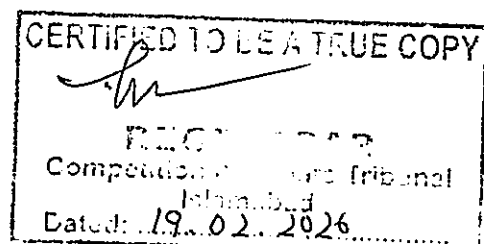
For the Respondent: M/s. Hafiz Naeem and Haider Afzal,
Senior Legal Advisors for CCP.

Date of hearing: 05.11.2025

Date of Judgment: 14.01.2026

JUDGMENT

Justice (R) Muhammad Junaid Ghaffar, (Chairperson): Through this Appeal, the Appellant has impugned order dated 31.07.2024, passed by two Members of the Competition Commission of Pakistan ("Commission"), through which a cumulative penalty of Rs. 60 million (Sixty Million) has been imposed upon the Appellant under section 10 (1) (a) read with Section 10 (2) (b) of the Competition Act, 2010 ("Act") with further directions to seize and desist from carrying out deceptive marketing practices and to file compliance report thereof. In addition,



a further penalty of Rs. 500,000/- (Five Hundred Thousand Only) has also been imposed on daily basis, if the adjudged violations continue.

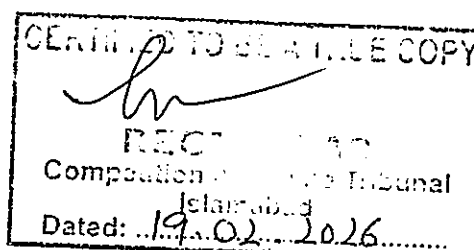
2. Record reflects that Appellant was issued a show cause notice, based on a complaint by Respondent No.2¹ under Section 37(2) of the Act, and enquiry report dated 08.02.2021, alleging that in relation to its products, it was engaged in distribution of false and misleading information by making claims, i.e. (A) "100% guaranteed protection from germs", (B) "Jaraseem se 100% yaqeeni hifazat", (C) "where there is lifebuoy there are few illness", (D) "World's No-1 germs protection soap" and (E) "99.9% germs protection in 10 seconds"; and WHEREAS, in terms of the Enquiry Report in general and paragraphs 6.17 to 6.59 in particular, it appears that Appellant's claims are deceptive and misleading and lacking reasonable basis as the Appellant has widely used the term "germs" whereas, the products are tested only for specific type of virus and bacteria, therefore, claims A, B, C, D and E appear to deceive the consumer about the character, properties and quality of goods and the disclaimer / disclosure does not fulfill the requirement of the concept "clear and conspicuous", which prima-facie, is in violation of section 10 (1)² in general and in particular section 10 (2) (b)³ of the Act ; and WHEREAS, in terms of the Enquiry Report in general and paragraph 6.60 to 6.68 in particular, it appears that the claims A, B, D & E are also capable of harming the business interest of the Complainant which is, prima facie, in violation of Section 10 (2)(a)⁴ of the Act ; and WHEREAS, the Commission is mandated under the Act to ensure free competition in all spheres of commercial and economic activity, to enhance economic efficiency and to protect consumers from Anti-competitive practices including deceptive marketing practices, hence, this show cause notice. The Appellant contested the show cause notice with a detailed reply, which was found

¹ Reckitt Benckiser Pakistan Limited.

² 10. Deceptive Marketing practices:- No undertaking shall enter into deceptive marketing practices.

³ (b) The distribution of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods;

⁴ (a) the distribution of false or misleading information that is capable of harming the business interests of another undertaking;



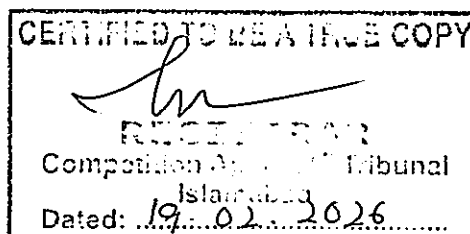
unsatisfactory. The Commission settled two issues and through impugned order the Commission has imposed penalties and has also given certain directions. The issues as well as the relevant directions reads as under.

- Issue No.1: Whether the Respondent's advertised Claims A, B, C, D & E amount to deceptive marketing practice with in the meanings of section 10(2)(b) of the Act by distributing false and misleading information to consumers, related to the character, properties, suitability for use or quality of the products?
- Issue No.2: Whether the Respondent resorted to deceptive marketing practice with in the meaning of section 10(2)(a) of the Act by distributing false and misleading information that is capable of harming business interests of another undertaking?

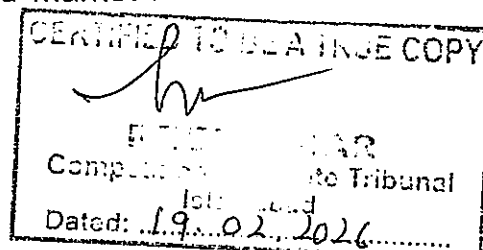
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Relevant Operative findings:

53. Keeping in view the aforesaid, the Respondent is hereby directed to:
- (i) Cease and desist from undertaking misleading marketing of its products and restrain from making aforementioned unsubstantiated Advertising Claims in a manner which may give the consumer a false net impression of efficacy of its products.
 - (ii) Ensure to include clear, comprehensible and conspicuous disclaimer or disclosure in its advertisements.
54. Given the Appellant's flagrant violations of Section 10 of the Act, which continued even after the issuance of SCN, and persisted until the issuance of this order. Moreover, the appellant has demonstrated its clear intent of deliberate violation through their actions by using different versions of advertisement claims for the same product in different countries with the worst deception occurring in Pakistan. The Bench hereby imposes a penalty of:
- i) Rs. 10,000,000/- (Rupees Ten Million) for one count of contravention of Section 10 (1)(a); and
 - ii) Rs. 50,000,000/- (Rupees Fifty Million) for of contravention of Section 10 (1) read with Section 10 (2) (b) of the Act by advertising the advertising claims A, B, C, D & E.
55. The Respondent is, therefore, liable to pay a sum of Rs. 60,000,000/- (Rupees sixty Million) and also directed to file a compliance report with the Registrar of the Commission within a period of 30 days from the date of issuance of this Order.
56. In case of continued violation, the Appellant shall be additionally liable to payment of Rs. 500,000/- (Rupees Five Hundred Thousand) on daily basis.



3. Learned counsel for the Appellant has contended that the impugned order is contrary to law and facts; that it has been wrongly observed by the Respondent that claims A to E have been in consistent use of the Appellant, whereas the said claims already stand modified; that even during hearing on 04.06.2021 before the Commission, the Appellant was directed to seek instructions in respect of amending the claims, whereas through E-Mail dated 11.08.2021, the Commission was accordingly informed and the claims were modified; that the matter was then kept pending without any justifiable reason and once again hearing was fixed on 13.12.2023, whereafter the Appellant filed detailed statement on 15.01.2024 and reiterated the earlier stance; but it was not considered; that these facts and the record speaks for itself and is not in dispute; that it has been wrongly observed in the proceedings as well as in the impugned order that claim A states "100% guaranteed protection from germs" and has been misunderstood as the claim of the Appellant was "100 % proven germs protection"; that similarly Claim B which is a Urdu version of claim A has been misunderstood and the word "proven" in claim A and "Yaqeen" in claim B; does not say any guaranteed protection; that such claims were based on various test reports including fourteen (14) such reports placed before the Commission, however, the Commission has wrongly stated that only four (4) lab test reports were placed on record; that claim C is basically a slogan and cannot be termed as a separate claim and could not have been included in the Show cause Notice; that the impugned order inadvertently links claim C with claim D which was not part of the Enquiry report or the Show cause Notice; that claim "10x better germs protection" was never part of the complaint filed by the Respondent, hence it was not rebutted in the comments nor the appellant was asked to do so; that the Laboratory tests can prove and establish that Lifebuoy is performing ten times better as compared to Respondent No.2's product; that even otherwise claim C is no longer in use since December, 2018; that insofar as claim D is concerned, the same is based on reports provided by NIELSEN, which is a renowned market measurement firm which

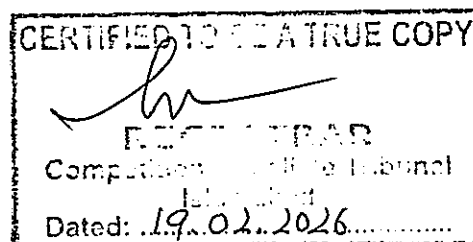


has concluded that Lifebuoy leads the market share in the hygiene segment of soaps in forty (40) countries; that the Commission has failed to appreciate the said report and has unlawfully penalized the Appellant; that notwithstanding this, claim D has been modified vide reply submitted on 05.05.2021; but this has also been ignored in the impugned order; that claim E has been misinterpreted by the Commission as being absolute, however, such claim does not state that Lifebuoy offers protection against 99.9% of the germs that exist in the natural environment, whereas it is substantiated on the basis of Lab reports which again have not been considered by the Commission; that at least nine (9) Lab reports were submitted to the Commission in respect of claim E, but they have not been considered in the impugned order; that in view of the such submissions, the impugned order is liable to be set aside.

4. On the other hand, the Commission's counsel have supported the impugned order and have contended that the advertisement and the claim in question were misleading and, therefore, the impugned order in question is unexceptionable and the Appeal is liable to be dismissed. According to them, the modification by itself is an admission that some wrong was being committed; hence, no case is made out. They have also placed reliance on judgment dated 31.10.2018 passed by this Tribunal in Appeal No. 45 of 2017⁵.

5. Heard learned counsel for the Appellant as well as the Commission and perused the record. Though the Appellant's counsel has made substantive arguments as to the very merits of the case, however, it is a matter of record that the Appellant by itself has submitted before the Commission that the alleged claims / advertisements have been modified after issuance of show cause notice. They have submitted in the memo of Appeal at Para 26 & 27 as under;

⁵ Colgate Palmolive (Pakistan) Limited.



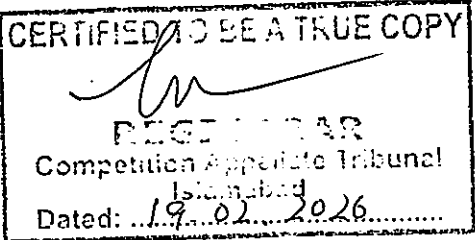
It is important to note Claims A to E as identified in the Impugned Order are no longer in use, as detailed in the table below:

Sr. No	Claim	Date of Discontinuation
A	100% Proven Germ protection	June , 2021
B	Jaraseem say 100% yegeeni hifazat	July, 2024
C	Where there is Lifebuoy there are fewer illnesses	December, 2018
D	World's No.1 Germ Protection Soap	January, 2021
E	99.9% Germ Protection in 10 Seconds	August, 2020

The present claims being used by the Appellant are

Sr. No.	Claim	Disclaimer
1	Stronger Germ Protection	As per lab test on Selected Germs such as E. Coli and K. Pneumoniae Vs ordinary Soap
2	100 % Stronger Germ Protection	As per lab test on Selected Germs such as E. Coli and K. Pneumoniae vs ordinary Soap
3	World 's No 1 Selling Germ Protection Soap	Based on NielsenIQ, Skin Cleansing Bars (unit & Volume sales) and Skin Cleansing Bars & Liquid Hand Wash & Body wash (unit sales), (latest 12 months available) © 2024, NielsenIQ. Details available on https://www.lifebuoy.com/no.1.html
4	Germ Protection Handwash	As per Lab test on indicator organism vs ordinary soap bar without actives.
5	100% stronger germ protection in 10 secs	As per lab test on indicator organism vs ordinary soap bar without actives at 10 seconds contact time.

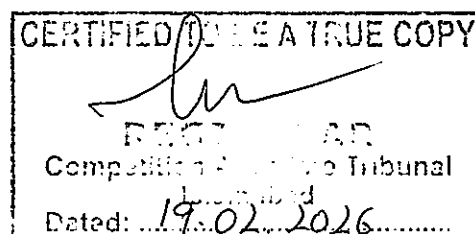
6. From the above submission and conduct of the Appellant, it is clear, that once a show cause notice was issued, they have changed / modified their claims / advertisements. In the alternative they have discontinued some of the claims. This clearly reflects that insofar as the period in question is concerned, i.e. before issuance of show cause notice, they had used such claims / advertisement as alleged for advertisement and or for marketing. The very modification(s) and change(s) as suggested by the Appellant and as stated in Para 26 & 27 read with Grounds C & D of the memo of Appeal as well the statements dated 15.01.2024 at page 509 of the paper book, in fact amounts to an admission of the guilt, be it qualified and not of acquiescence as claimed by the Appellant. For the present purposes



and for the period in question, at least impliedly, it has been accepted by the Appellant that it was a case of deceptive marketing practices falling within contemplation of Section 10 of the Act. It has also come on record that the Appellant has not used the advertisement claim "C" internationally, including Bangladesh, Saudi Arabia or United Kingdom, whereas claim "D" has been used in U.K as *"World's No.1 Hygiene Soap"* as against *"World's No.1 Germ Protection Soap"* in Pakistan. Having said that, it also needs to be appreciated that the Appellant at the very outset had proposed certain modifications in the alleged claims, which as per the stance of the Commission were not appropriate nor were in accordance with the relevant provisions of the Act and Regulation 30 of the Competition Commission (General Enforcement) Regulations, 2007. To this, it would suffice to observe that insofar as the present proceedings are concerned, they have triggered pursuant to issuance of a show cause notice by the Commission under Section 30 of the Act and are in respect of claims in existence on the date of show cause notice or prior to that. To us, it seems that this aspect of the case has been overlooked while passing the impugned order as there is no specific finding as to the stance of the Appellant regarding amendment of the claims and filing of any undertaking. It is only after our order dated 22.10.2025 that the Commission has filed its response that the same was not in accordance with the Act and Regulation 30 of the 2007 Regulations, hence, was discarded. The said order of this Tribunal reads as under;

22-10-2025:- Mr. Khwaja Aizaz Ahsan, Advocate, for the Appellant.
Mr. Haider Afzal, Advocate along with
Hafiz Naeem, legal advisor, for the CCP / the Respondent.

We have briefly heard the Appellant's Counsel and while making his submissions, he has relied on his statement purportedly filed before the Commission during the hearing of the proceedings in question and submits that the Appellant had proposed necessary amendments in the claim so alleged in the show cause notice. According to him the Commission while passing the impugned order, did not consider the said proposal and the disclaimer so mentioned in the statement. When confronted, learned counsel for the Commission submits that the proposed statement / commitment was found unsatisfactory, therefore, the same was not considered. However, perusal of Impugned Order reflects that there is no finding of the Commission in respect of this statement and the amended claim of the Appellant.

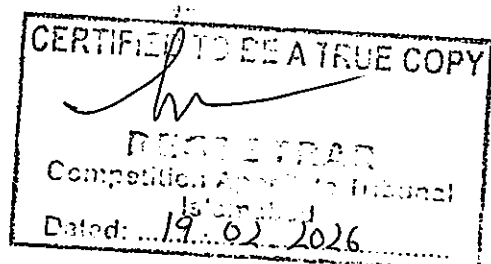


2. In view of such position, learned counsel for the Commission is directed to file a proper response along with Diary Sheet, if available, of the proceedings conducted by the Commission. The response should specifically attend to the statement available at page No. 502 of the paper book. To come up on 05.11.2025.

7. Though the Commission has now come up with an explanation that neither the amendments nor the undertaking was in accordance with law or Regulations; however, admittedly, the impugned order is silent about this aspect of the matter. Once it is admitted that certain amendments were made in the claim, then it ought to have been dealt with in the impugned order. Therefore, at this stage of the proceedings, as an Appellate forum, we are only concerned with what has been alleged in the show cause notice and not beyond that or for that matter, after the date of issuance of the show cause notice. As of today, if any violation is being committed by the Appellant even after their claim of modification, the Commission can still proceed on this count, and we leave this aspect of the matter open for future adjudication in accordance with law. Since for the present purposes we are only concerned with the order before us and the imposition of penalty and the directions issued by the Commission, in law, we are not required to decide and adjudicate the events after issuance of show cause notice.

8. It is of much relevance to observe that imposition of penalty is dependent on the allegations stated in the show cause notice. A person cannot be penalized for an act which is not alleged in the show cause notice. This is a settled proposition of law⁶, and we need not deliberate it any further. What we have noticed from the impugned order is, that perhaps due to delay in passing of the order after issuance of show cause notice, the situation which has emerged is that the Appellant claims to have either, abandoned the claims as alleged in the show cause notice, or has modified the same. In that case, the Commission ought to have considered the entire situation post show

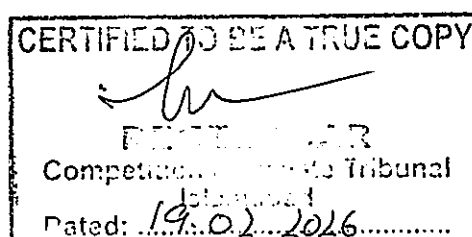
⁶The Collector Central Excise and Land Customs v. Rahim Din 1987 SCMR 1840 and Fatal Yarn (Pvt.) Ltd. v. Commissioner Inland Revenue 2021 SCMR 1133



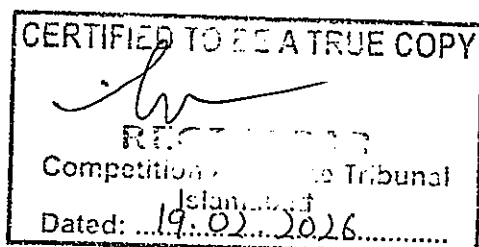
cause notice and could have confronted the Appellant, either with a supplementary or a fresh show cause notice, for continuance of the alleged claims. This is not the case in hand, therefore in our considered view, and owing to the conduct of the Appellant as above, imposition of such a heavy penalty as mentioned in the impugned order does not commensurate with the alleged conduct; hence, not justified and consequently thereof must be reduced.

9. For imposition of penalty, the jurisprudence that has evolved over the years is that penalty must be commensurate with the gravity of the offence committed. A continuous and willful non-compliant attitude may lead to a higher pitch of penalty. Therefore, every case should be decided on its own merits, whereas default on the part of an undertaking would not *ipso facto* makes it liable for maximum or a higher penalty. The circumstances prevalent in a particular case are of pivotal importance before a penalty is quantified. The intent, conduct and behavior of an undertaking must be deeply investigated before imposition of penalty. Though the Act confers discretion on the Commission, but it does not make it incumbent upon the Commission to overlook the conduct of an undertaking and must impose it mandatorily.

10. It is also a settled proposition that punishment disproportionate to the gravity of offence / guilt is as much illegal as the act itself calling for its imposition. There could always be a case of some misconception / a different understanding of the relevant provision of the Act. This, in and of itself, is not a ground to sustain imposition of maximum or higher penalty. As already observed, the Commission while imposing any penalty which is on a higher or maximum side, must keep in mind the gravity of the charge and the attending circumstances prevalent in a particular case. Penalties for deceptive practices are determined based on the nature and extent of the violation, prior conduct, and remedial actions. We are mindful of the fact that the Act provides for a range of penalties, and the quantum varies widely, but proportionality and deterrence are key considerations in imposition of penalties in Anti



Competition Laws. As discussed in Para 5 above, it is the case of the Appellant that certain claims were not in use anymore when the show cause notice was issued, whereas some had been modified immediately. Hence, while imposing the penalty, the Commission ought to have kept this conduct and behavior in mind. It is more relevant in the present set of facts as the impugned order is completely silent in this regard. It is settled worldwide that Anti Competition Regulators (Federal Trade Commission and like organizations) when determining penalties, always consider; the nature and extent of the violation; the violator's history and intent; any remedial actions taken; good faith efforts to comply with the law; absence of willful or bad-faith intent and the violator's cooperation with the investigation. These mitigating factors can result in lower penalties, settlement agreements, or even warnings instead of fines, depending on the circumstances. These mitigating factors play a crucial role in determining the quantum of penalties. The Commission, therefore, must weigh these factors to ensure that penalties are fair, proportionate, and encourage future compliance rather than simply punish. As already noted, the impugned order has completely skipped the assurance and undertaking of the Appellant to modify the claims as well as co-operation and remedial efforts. At least, a specific finding ought to have been given either way. Here one more thing is to be noted and that is, the proceedings were initiated based on a complaint by Respondent No.2; however, there is no determination of any injury caused to the complainant by the alleged misleading advertisements. Impliedly, its claim has been rejected. Since neither any assistance has been provided to us on behalf of Respondent No.2; nor we are adjudicating the entire merits of the case owing to Appellants own submissions as noted at para 5 above, we leave this aspect of the matter as it is, and will decide it in an appropriate case as to whether while alleging violation of Section 10(2)(a) of the Act, is it mandatory upon the Commission to carry out a subjective analysis of the harm caused to the business interests of the complainant or not.



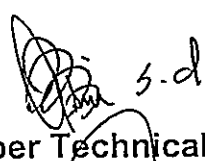
11. In view of hereinabove facts and mitigating circumstances of the case, the penalty as adjudged in the impugned order is reduced to Rs. 10 million (10 million only) in aggregate, which shall be paid by the Appellant within 15 days from the date of this order, failing which the penalties imposed in the impugned order of the Commission shall stand restored without further indulgence. The Appeal is partly allowed to this extent only, whereas the other directions are sustained. As to the alleged conduct of the Appellant post show cause notice, the Commission is at liberty to proceed further, if so advised, in accordance with law.

S.d

 Chairperson
 14.1.2026

S.d

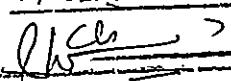
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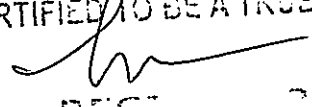
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 Member Technical-II

Announced in open court

Dated: 14.01.2026

Approved for Reporting


Application No.	08
Dated	12.02.2026
Applicant	Imran Akhtar
No. of Pages	11
Copying Fee	250/-
Search Fee	-
Urgent Fee	-
Total Fee	250/-
Date of Preparation of Copy	19.02.2026
Date of Delivery	19.02.2026
Prepared by	

CERTIFIED TO BE A TRUE COPY	
	
REG	2
Competition	Annual
Dated:	19.02.2026