

# INFORGRAPHICS

In the Matter of Show cause notice issued to **Reckitt Benckiser Pakistan** on the complaint filed by Square distribution & Marketing System



Competition Commission  
of Pakistan

[www.cc.gov.pk](http://www.cc.gov.pk)

## BACKGROUND ISSUE AND COMPLAINT



- The Complainant, a distributor of medicinal products, alleged in its complaint that the Respondent had been engaged in the dissemination of false and misleading information to the consumers by creating an impression that its product, 'Strep-sils', is a drug for sore throat and cough.
- By way of background, it was highlighted that Reckitt had de-registered 'strepsils' as a drug in 2006 after acquiring the same from the company Boots and re-launched the product with the tag 'Non-medicated Lozenges' and without any pharmaceutical ingredients.



### DATE OF ORDER

09 February 2021



### BENCH MEMBERS

Rahat Kaunain Hassan  
Bushra Naz Malik

## FINDINGS OF THE ENQUIRY



- The marketing campaign appeared to be prima facie deceptive in terms of Section 10(2)(b) of the Act which prohibits distribution of false and misleading information to consumers and the public was deceived into perceiving that the product was still a medicated sore throat remedy.
- The misleading campaign was also prima facie capable of harming the business interests of other undertakings in violation of Section 10(1) read with Section 10(2)(a) of the Act.
- In light of the findings, the Enquiry Committee recommended the Commission to consider initiating proceedings against the Respondent under Section 30 of the Act.



### SECTOR/MARKET

Pharmaceutical



### NATURE AND SECTION VIOLATION

Deceptive Marketing  
Practices, Section 10 of  
the Competition Act

## ISSUES FRAMED BY THE BENCH



Following issues were framed by the Bench;

- Whether the complaint is maintainable?
- Whether the alleged claims are false or misleading within the meanings of Section 10(2)(b) of the Act?
- Whether the alleged claims are capable of harming the business interest of the Complainant or other businesses within the meaning of Section 10(2)(a) of the Act?



### COMPLAINANT

Square Distribution &  
Marketing System

**Respondent**  
Reckitt Benckiser Pakistan

## FINDINGS OF THE BENCH

- Generally for Section 10 cases, there is no requirement of identification or establishment of a relevant market. The Complaint was valid and submitted in accordance with law.
- While evaluating an advertisement's misleading or false nature, the complete advertisement is to be looked at and the net general impression conveyed by the same.



- The Bench observed that the change in formula of the 'product' had changed the character of the product from being a medicine to a non-medicated product. Moreover, the branding of a product cultivates affinity, trust and customer loyalty and is an important tool for marketing strategy as well as playing an important role for consumer choices.



- It was observed that the product's trademark names, "Strepsils Throat Guard and Strepsils Comfort", were also potentially misleading and deceptive.
- Moreover, the non-medicated disclaimer was made in small font and not a part of the packaging. Thus, the Bench observed that there was merit in the Enquiry Committee's findings concerning the inefficacy of the disclaimer. The use of the term 'Lozenges' with 'non-medicated' in the disclosure itself was also considered misleading as the dictionary meaning of the term related to a 'medicated material'.



- Prior long usage of medicated ingredients in the product also already left a general impression that the product was a medicated product for curing a sore throat and ordinary consumers could be misled concerning the same.



- Advertisements having claims concerning healthcare products or safety require a higher degree of disclaimer and disclosures. Considering the net general effect of the marketing material on relevant website extracts, it was observed that the product had been marketed as medicine. The marketing campaign of the Respondent had the potential to deceive the consumer with respect to the characteristics, formulation and intended use of the product. The Respondent had not been able to substantiate as to how and to what extent efforts had been made to inform the general public about the change in the formula of its product.



- As far as concurrent violations of Section 10(2)(a) and (b) of the Act were concerned, the Bench observed that the two clauses could also be construed as independent of each other. Nevertheless, in the instant matter, the deceptive marketing practices were found to be capable of harming businesses of drugs for cold and flu.



### Social Media Claims



# REMEDIES & PENALTY



TO DOWNLOAD THE ORDER

- The Respondent was found to be in contravention of both Section 10(2)(a) and (b) of the Act. A total penalty of PKR 150 million [PKR 75 million for each of the violations] was imposed on the Respondent.
- The Respondent was further directed to cease and desist from conducting misleading marketing practices of the product and to ensure the inclusion of a disclaimer/disclosure, 'NON-MEDICATED', in explicit, express, bold words, on the product box as well as on the strips containing the tablets and in all print and/or electronic advertising/marketing and to use the registered trademark along with such disclaimer.
- The Respondent was also directed to place a disclaimer in English and Urdu stating that "ye dawa nahi, dawa ke liye doctor se ruju Karen".
- The Respondent was further directed to ensure that its agents, distributors, dealers, etc. remove all impugned marketing material and products from the market and to publish advertisements in at least three English and Urdu newspapers having nationwide circulation regarding the change in character of the product from medicated/drug to food category in Pakistan. Such advertisements were to be given once a week until the last day of the compliance deadline.
- The Bench had given 40 days from the date of the Order to the Respondent for compliance.

## MEDIA COVERAGE

**BUSINESS RECORDER**  
12 Feb 2021 | Page 16 | Press Release

### CCP imposes penalty on Reckitt Benckiser Pakistan

**RECORDER REPORT**  
ISLAMABAD: The Competition Commission of Pakistan (CCP) has passed an order imposing a total penalty of Rs150 million on Reckitt Benckiser Pakistan Limited for violating Section 10 of the Competition Act, 2010 for deceptive marketing practices of its product 'Strepsils'.

**TRIBUNE**  
12 Feb 2021 | Business Page 01 | Press Release

### DECEPTIVE MARKETING CCP slaps Rs150m penalty

**LAHORE:** The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs150 million on Reckitt Benckiser Pakistan Limited (respondent) for violation of Section 10 of the Competition Act 2010 in advertising/marketing claims about its product 'Strepsils', which have been found capable of misleading and deceiving under the Act.

**اوصاف**  
12 Feb 2021 | Front Page | Press Release

### CCP imposes penalty of Rs150m on Reckitt Benckiser Pakistan

**ISLAMABAD:** The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs150 million on Reckitt Benckiser Pakistan Limited for violating Section 10 of the Competition Act, 2010 for deceptive marketing practices of its product 'Strepsils'.