

# INFORGRAPHICS

In the matter of show cause notices issued to **Weight Loss products manufacturing companies for deceptive marketing practices**



Competition Commission  
of Pakistan

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

## BACKGROUND



- The Commission took *suo moto* notice against Weight Loss Product Manufacturers for their alleged deceptive marketing practices.
- The Commission initiated proceedings under Section 37(1) of the Act against several companies (14 in total) pertaining to their alleged deceptive behaviour in violation of Section 10 of the Act.

## CONCERNS AND COMPLAINTS



- Respondents were allegedly involved in dissemination of false and misleading information to consumers about their weight loss products.
- Respondents made absolute and exaggerated claims regarding their product qualities and properties.
- The products were advertised without mentioning the potential side effects that may occur.

## FINDINGS OF ENQUIRY REPORT

- The Enquiry Report concluded that the high sounding and absolute claims by all 14 Respondents have not been substantiated and hence, appear to be false.
- The Respondents failed to provide reasonable basis or scientific evidence for its high sounding claims.
- Furthermore, the conduct of the Respondents was also capable of harming the business interests of others in the relevant market.
- The Enquiry Committee, based on the findings, recommended initiation of proceedings against the Respondents under Section 30 of the Act.

## ISSUES FRAMED BY THE BENCH

Taking into account the written replies, supporting evidence and the findings of the Enquiry Report, the Bench deliberated on the following issues;

- Whether the Respondent No.4 has engaged in deceptive marketing practices in contravention of Section 10(2)(b), read with Section 10(1) of the Act?
- Whether the Respondent No.4 has engaged in deceptive marketing practices in contravention of Section 10(2)(a) of the Act, e.e., was the marketing strategy/disclosed information regarding their business/product capable of harming business interests of other undertakings?



## DATE OF ORDER

18 March 2022



## BENCH MEMBERS

Shaista Bano  
Bushra Naz Malik



## SECTOR/MARKET

Pharmaceutical



## NATURE AND SECTION VIOLATION

Deceptive Marketing Practices, Section 10 of the Competition Act



## PARTIES

MPC Health and Foods  
Herb Health Club  
Hemani International  
Al-Mughni Herbs  
Herbs Man Laboratories  
Royal Leaf International  
Awami Laboratories  
The Vitamin Company  
British Slimming Clinic  
Herbo Natural  
Lasani Pharma  
Qarshi Industries  
Herbal Medicine Pk  
Babar Herbal & Homeo Clinic

## ANALYSIS OF THE BENCH

After hearing all the parties, the Commission concluded that;

- For decades, through advertisements, a fictitious impression about the weight loss products was created and the public was deceptively caused to believe the miraculous outcomes of these products.
- All 14 Respondents were engaged in deceptive marketing practices by making false and misleading claims that had no reasonable basis.
- The Respondents also failed to disclose the potential impact their product(s) can have on people having different medical conditions, such as diabetes, hypertension, allergies etc.
- Moreover, the Bench had reached the conclusion that the market of weight loss products and dietary supplements has remained unregulated for a long time.



## PENALTY AND REMEDIES

Since, the market of weight loss products and dietary supplements had remained unregulated for a long time, therefore, the Commission inclined towards corrective behavior in this matter, and has decided not to impose penalties on any of the Respondents

However, all the Respondents were directed to strictly compliant with the directions of the Bench, failing which the Respondents would attract proceedings under Section 38 of the Act.



TO DOWNLOAD  
THE ORDER

## DIRECTIONS

While taking inspiration from the guidelines provided by the Competition Bureau of Canada for weight loss products, the Commission issued the following guidelines for the undertakings:

### RELIABLE EVIDENCE

The undertaking advertising a weight loss product must possess and rely upon competent and reliable scientific evidence. Such evidence includes any tests, analyses, research or studies that have been conducted and evaluated in an objective manner by qualified persons that are generally accepted in the profession to yield accurate and reliable results.

### TESTING FROM REPUTABLE LABORATORIES

For weight loss claims, testing must be objective, rigorous, adequate and proper, and it is recommended that the service of reputable laboratories be procured for design and conduct of the testing.

### MISLEADING REPRESENTATIONS

No false or misleading representations to the public should be made regarding any endorsement by a reputable body or governmental agency etc.

### TESTIMONIALS

Testimonials should be true and from actual customers who have no material connection with the undertaking unless it is properly disclosed.



### DISCLAIMERS

The disclaimers should be made with the use of bright/conspicuous colors distinct from the color of the packaging of the product and should be printed in clear, bold, and legible size.

All the Respondents were directed to:

- Modify all the advertisement materials to disclose and display truthful claims, omit untrue claims and provide disclaimers about side effects of its products on certain consumers with medical conditions within a period of 120 days starting from the date of this order.
- The disclaimers should be made with the use of bright/conspicuous colors distinct from the color of the packaging of the product and should be printed in clear, bold and legible size.
- Issue four advertisements/public notices of A-4 size, to be published in at least two Urdu and two English newspapers of national circulation; making due disclosures to the public regarding the disclaimers and side effects of their products and the omission of untrue claims from their products within a period of 120 days starting from the date of this order.
- The text and content of such advertisement prior to publication shall be cleared by the Office of the Registrar of the Commission.
- A compliance report with respect to implementation of the aforementioned directions must be filed by the Respondents no later than 180 days from the date of this Order.
- Continued violation and/or non-adherence to the directions of the Commission, by any of the Respondents, may attract further proceedings in accordance with Section 38 of the Act.