

CCP imposes Rs1m penalty on paint company

Our correspondent

ISLAMABAD: The Competition Commission of Pakistan (CCP) has imposed Rs1 million penalty on a paint company for its involvement into deceptive marketing practices.

The penalty was imposed on Jotun Pakistan (Pvt) Limited for violation of section 10 of the Competition Act 2010, while promoting its products.

The order was passed by a bench, comprising CCP members Mueen Batlay, Dr Shahzad Ansar and Ikram Ul Haque Qureshi.

According to the details issued by the CCP, the Commission initiated an inquiry after receiving complaints from Akzo Nobel Pakistan Limited and Diamond Paint Industries (Pvt) Limited alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be 'No. 1 Paint' without having reasonable basis.

The CCP inquiry report found that the claim "No. 1 Paint" publicised by Jotun in

its marketing campaign was prima facie in violation of Section 10 of the Competition Act 2010. On recommendations of the inquiry report, Jotun was issued show cause notice by the CCP.

In its order, the CCP observed that the claim 'No. 1 in Paints' lacked reasonable basis and was therefore false and misleading and was capable of harming the business interests of Jotun's competitors in the market.

In view of the commitment and compliance undertaken by Jotun during the proceedings, the CCP imposed a penalty of Rs1 million for the violation, and warned the company that future violations may attract stricter penal consequences. In addition, Jotun has been ordered not to use the claim again in its marketing campaigns.

The CCP order stated that deceptive marketing practices have given rise to growing concerns within the field of marketing among the general public, consumer welfare bodies and competition agencies.

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ISLAMABAD (Staff Reporter): The CCP has issued an order imposing a penalty of Rs 1 million on a paint company, Jotun Pakistan (Pvt.) Limited, for violation of Section 10 of the Competition Act, 2010, while promoting its products. The order was passed by a bench comprising Mueen Batay, Dr Shahzad Ansar, and Ikram Ul Haque Qureshi, members CCP. CCP initiated an inquiry after receiving complaints from Akzo Nobel Pakistan and Diamond Paint Industries alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be 'No. 1 Paint' without having reasonable basis. CCP's inquiry report found that the claim "No. 1 Paint" publicized by Jotun in its marketing campaign was prima facie in violation of Section 10 of the Competition Act, 2010.

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Economy Watch

CCP imposes Rs 1m penalty on paint company

ISLAMABAD—The Competition Commission of Pakistan (CCP) has imposing a penalty of Rs. 1 million on a paint company, Jotun Pakistan (Pvt) Limited, for violation of Section 10 of the Competition Act, 2010, while promoting its products. A statement issued by the Commission here Wednesday said that order was passed by a bench comprising Mueen Batlay, Dr. Shahzad Ansar and Ikram Ul Haque Qureshi, Members CCP.

CCP initiated an inquiry after receiving complaints from Akzo Nobel Pakistan Limited and Diamond Paint Industries (Pvt.) Limited alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be 'No. 1 Paint' without having reasonable basis. CCP's inquiry report found that the claim "No. 1 Paint" publicized by Jotun in its marketing campaign was prima facie in violation of Section 10 of the Competition Act, 2010.

On recommendations of the inquiry report, Jotun was issued show cause notice by CCP. In its order, CCP observed that the claim 'No. 1 in Paints' lacked reasonable basis and was therefore false and misleading and was capable of harming the business interests of Jotun's competitors in the market. In view of the commitment and compliance undertaken by Jotun during the proceedings, CCP only imposed a penalty of Rs. one million Only for the violation, and warned the company that future violations may attract stricter penal consequences.—APP



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پینٹ کمپنی پردس لاکھ روپے جرمانہ عائد
اسلام آباد (خبرنگار خصوصی) مسابقتی کمیشن آف پاکستان
(سی سی پی) نے دھوکہ دہی پر مبنی تشہیر کی وجہ سے جوئن
پاکستان پرائیوٹ لمیٹڈ نامی پینٹ کمپنی پردس لاکھ روپے جر
مانہ عائد کیا ہے۔ سی سی پی اعلامیہ کے مطابق یہ فیصلہ مسابقتی
کمیشن کے جس بیج نے جاری کیا اس میں معین باٹلے، ڈاکٹر
شہزاد انصر اور اکرام الحق قریشی نمبر ان شامل تھے۔

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Deceptive marketing

CCP smudges Jotun Pakistan's palette

Imposes Rslm penalty for 'baseless' number one claim

SHAHBAZ RANA
 ISLAMABAD

The Competition Commission of Pakistan (CCP) has said that Jotun Pakistan Private Limited was not a top paint-manufacturing company, as the anti-trust watchdog imposed a penalty of Rs1 million for deceptive marketing practices in violation of the Competition Act of Pakistan. The CCP found that Jotun Pakistan's claim of being the number one paint company was false and it passed an order, directing the management to withdraw the disputed advertisement besides depositing a fine of Rs1 million.

The order was passed by a bench comprising Mueen Batlay, Dr Shahzad Ansar, and Ikramul Haque Qureshi

and all the members of the CCP. The CCP bench took the decision on the basis of an inquiry report conducted by its team. The team found that the claim 'number one paint' publicised by Jotun in its marketing campaign was prima facie in violation of Section 10 of the Competition Act, 2010.

The anti-trust watchdog had initiated an inquiry after receiving complaints from Akzo Nobel Pakistan Limited and Diamond Paint Industries Private Limited alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be the front-runner without having reasonable basis.

Azko Nobel alleged that Jotun, while marketing its product through print media and billboards, claimed to be the best brand in Pakistan, disseminating misleading and false information to consumers. According to them, Jotun did not provide the

basis, character, properties or the quality of its product, which identifies a product being 'superior'.

Akzo Noble claimed that the false advertisement was capable of harming its business interests.

During the inquiry, the Jotun did not provide any recognisable substantiation

for making the claim, according to an official handout issued by the CCP. It added that the only contention made by the Jotun of being number one was true for a Middle-Eastern country. However, the company did not disclose this in its marketing campaign.

The CCP observed that this

contention, on its own, was untenable as the company was dealing with the market in Pakistan. This additional information has not been made available to the consumers, it added. Further, Jotun also did not provide any survey results or data to support its claim.

"Importantly, Jotun has not denied the findings of the inquiry report that the claim was prima facie deceptive in nature", said the CCP. Jotun Pakistan committed before the inquiry officers to remove and replace all the marketing materials bearing the claim.

In view of the commitment and compliance undertaken by Jotun during the proceedings, the CCP imposed a penalty of Rs1 million only for the violation, and warned the company that future violations may attract stricter penal consequences. In addition, Jotun has been ordered not to use the claim again in its marketing campaigns.



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CCP fines paint company for deceptive advertising

ISLAMABAD: The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs1 million on a paint company, Jotun Pakistan (Pvt) Limited, for violation of Section 10 of the Competition Act, 2010.

A CCP bench, comprising Mueen Batlay, Dr Shahzad Ansar and Ikram Ul Haque Qureshi, in its order observed that the claim 'No. 1 in Paints' lacked reasonable basis and was therefore false and misleading and was capable of harming the business interests of Jotun's competitors in the market.

The CCP initiated an inquiry after receiving complaints from Akzo Nobel Pakistan Limited and Diamond Paint Industries (Pvt) Limited alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be 'No. 1 Paint' without having reasonable basis.

The CCP's inquiry report found that the claim "No. 1 Paint" publicised by Jotun in its marketing campaign was prima facie in violation of Section 10 of the Competition Act, 2010.
—Reporter

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Paint firm fined Rs1m for deceptive marketing drive

RECORDER REPORT

ISLAMABAD: The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs 1,000,000 on a paint company, Jotun Pakistan (Pvt.) Limited, for violation of Section 10 of the Competition Act, 2010, while promoting its products.

The order was passed by a bench comprising Mueen Batlay, Dr Shahzad Ansar, and Ikram Ul Haque Qureshi, Members CCP here on Wednesday.

The CCP initiated an inquiry after receiving complaints from Akzo Nobel Pakistan Limited and Diamond Paint Industries (Pvt.) Limited alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be 'No. 1 Paint' without having reasonable basis.

The CCP's inquiry report found that the claim "No. 1 Paint" publicized by Jotun in its marketing campaign was prima facie in violation of Section 10 of the Competition Act, 2010. On recommendations of the inquiry report, Jotun was issued show cause notice by the CCP.

In its order, the CCP observed that the claim 'No. 1 in Paints' lacked reasonable basis and was therefore false and misleading

and was capable of harming the business interests of Jotun's competitors in the market.

In view of the commitment and compliance undertaken by Jotun during the proceedings, the CCP only imposed a penalty of Rs 1,000,000 (Rupees One Million Only) for the violation, and warned the company that future violations may attract stricter penal consequences. In addition, Jotun has been ordered not to use the claim again in its marketing campaigns.

The CCP's order stated that deceptive marketing practices have given rise to growing concerns within the field of marketing among the general public, consumer welfare bodies and competition agencies. This, in fact, is the very reason behind the establishment of the Office of Fair Trade within the Commission.

The order said that the need for effective system of checks against deception in marketing cannot be overstated. Left unchecked, deceptive marketing practices, by shaping the standards and value that determine acceptable business conduct, can have a negative influence on business and the society as a whole. Deceptive marketing practices have given rise to

growing concerns within the field of marketing among the general public, consumer welfare bodies and competition agencies. This, in fact, is the very reason behind the establishment of the office of Fair Trade within the Commission.

The second question before the Commission is whether the claim 'No.1 paints' is capable of harming the business of Respondent's competitors. To prove conduct under Section 10(2)(a) of the Act, it is not necessary to show actual harm to competitors. It is sufficient to show the existence of a deceptive marketing practice that has the potential to harm the business interests of the competitors. Among such deceptive marketing practices is the distribution of claims lacking reasonable basis that are essentially designed and used to gain an unfair advantage over competitors. The unsubstantiated claim of being the 'No.1 Paint' in Pakistan is capable of creating unfairly, a positive consumer perception in favor of the Respondent which, in turn, is capable of harming the image, goodwill, sales, and other business interests of competitors in the market, the CCP order added.

CCP imposes Rs 1m penalty on Paint Company for 'deception'

The Competition Commission of Pakistan (CCP) has issued an order imposing a penalty of Rs 1 million on a paint company, Jotun Pakistan (Pvt) Limited, for violation of Section 10 of the Competition Act, 2010, while promoting its products.

The order was passed by a bench comprising Mueen Batlay, Dr Shahzad Ansar, and Ikram Ul Haque Qureshi, members of the CCP. The CCP initiated an inquiry after receiving complaints from Akzo Nobel Pakistan Limited and Diamond Paint Industries (Pvt) Limited alleging that Jotun was running a deceptive marketing campaign for its paint products in which it claimed to be 'No 1 Paint' without having reasonable basis.

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دھوکا دی بریبتی تشہیر پینٹ کمپنی پر 10 لاکھ روپے جرمانہ عائد

تشہیر میں نمبر ایک کمپنی ہونے کا دعویٰ کیا گیا جو مسابقتی ایکٹ کی خلاف ورزی ہے، مسابقتی کمیشن کے بیچ کا فیصلہ

مسابقتی کمیشن نے یہ واضح کیا کہ نمبر ایک ہونے کے دعویٰ کی کوئی معقول بنیاد نہیں ہے اور یہ دعویٰ جھوٹ پر مبنی اور گمراہ کن ہے جو کہ جوئن کے کاروباری حریفوں کے مفادات کے لئے نقصان دہ ہو سکتا ہے، کارروائی کے دوران جوئن کی جانب سے کی گئی یقین دہانیوں اور تعمیل کی وجہ سے مسابقتی کمیشن نے صرف 10 لاکھ روپے جرمانہ عائد کیا اور جوئن کو تنبیہ کی کے مستقبل میں ایسی خلاف ورزی پر بھاری جرمانہ عائد کیا جاسکتا ہے، جوئن کو یہ حکم دیا گیا کہ وہ اپنی تشہیری مہم میں یہ دعویٰ دوبارہ نہیں کر سکتا۔

ہونے والی شکایت پر اپنی تفتیش شروع کی تھی، اس شکایت میں یہ الزام لگایا گیا تھا کہ جوئن اپنی مصنوعات کی تشہیر دھوکہ دی پر مبنی اس دعویٰ سے کر رہا ہے کہ وہ نمبر ایک پینٹ کمپنی سے حالانکہ اس دعویٰ کی کوئی معقول بنیاد نہیں ہے، مسابقتی کمیشن کی انکوائری رپورٹ سے یہ بات ظاہر ہو گئی کہ جوئن کی جانب سے نمبر ایک ہونے کے دعوے کی تشہیری مہم بادی النظر میں مسابقتی ایکٹ 2010 کی شق 10 کی خلاف ورزی ہے، جوئن کو اس بنیاد پر اظہار وجوہ کا نوٹس جاری کیا گیا تھا، اپنے فیصلے میں

اسلام آباد (کامرس ڈیسک) مسابقتی کمیشن پاکستان نے ایک فیصلہ جاری کیا ہے جس میں ایک پینٹ کمپنی جوئن پاکستان پرائیویٹ لمیٹڈ پر اپنی مصنوعات کی دھوکہ دی پر مبنی تشہیر میں ملوث ہونے کی وجہ سے 10 لاکھ روپے جرمانہ عائد کیا ہے، یہ فیصلہ مسابقتی کمیشن کے بیچ نے جاری کیا جس کے ممبران میں معین باطلے، ڈاکٹر شہزاد انصرا اور اکرام الحق قریشی شامل تھے، مسابقتی کمیشن پاکستان نے ایک وٹوئل پاکستان لمیٹڈ اور ڈائمنڈ پینٹ انڈسٹریز (پرائیویٹ) لمیٹڈ کی جانب سے موصول