

Tribunal Upholds CCP's Findings on Deceptive Marketing Practices Involving Strepsils

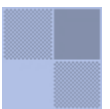
The Competition Appellate Tribunal (CAT) has upheld the finding of the Competition Commission of Pakistan (CCP) against Reckitt Benckiser Pakistan Limited for deceptive marketing practices relating to the promotion of its Strepsils product, reaffirming the obligation of businesses to ensure that advertising claims are accurate, transparent, and not misleading.

The matter arose from a complaint filed by M/s Square Distribution & Marketing System (Pvt.) Limited, alleging that Reckitt Benckiser's advertising and marketing created the impression that Strepsils was a medicinal product for the relief of sore throat, despite its deregistration as a drug and its subsequent marketing as a non-medicated product. The CCP examined whether the brand's promotional statements misled consumers about the product's classification and benefits.

Following its inquiry, the CCP, in an order dated 9 February 2021, found that the marketing of Strepsils involved claims capable of deceiving consumers, constituting deceptive marketing practices under Section 10(2)(b) of the Competition Act, 2010, which prohibits advertising tactics likely to mislead consumers about the nature, quality, or benefits of a product. The Commission observed that advertising claims must be supported by appropriate evidence and should not influence consumer choices through misleading or exaggerated representations.

The order was subsequently challenged before the Competition Appellate Tribunal. After considering the arguments, the Tribunal upheld the CCP's finding, confirming that the marketing practices in question fell within the scope of deceptive marketing prohibited under the law. The Tribunal directed Reckitt Benckiser to pay a penalty of Rs. 30 million and to strictly comply with the corrective measures prescribed by the Commission within the stipulated period.

The Tribunal further noted that Strepsils packaging had already undergone material changes in response to the CCP's intervention, including the prominent display of the words "Non-Medicated" in both English and Urdu on the front of the packaging and blister packs, where such disclosure had previously been less conspicuous. As part of the Commission's directions, Reckitt Benckiser has also been required to prominently publicize the change in the product's status from a medicated/drug category to a food category through advertisements in at least three widely circulated English and Urdu newspapers across Pakistan, to be published on a weekly basis until full compliance is achieved.



The Tribunal's decision underscores the scrutiny of advertising and promotional claims in Pakistan, particularly in sectors related to consumer health and wellbeing. Businesses must ensure that their product communications are carefully reviewed and supported by substantiated evidence to avoid regulatory concern.

The decision also underscores the importance of competition law in safeguarding consumer interests and promoting fair market practices. Companies operating in consumer-driven industries should remain mindful that brand recognition and commercial success must be supported by responsible advertising practices and compliance with applicable legal standards.

