

Hwa Wei International Furniture Co Ltd.

Taipei High Administrative Court (2021)

Case: Taipei High Administrative Court rejected the administrative litigation filed by Hua Wei Furniture over the sanction from the FTC for their violations of Fair Trade Law

Keyword(s): False advertising, furniture

Reference: Taipei High administrative Court Judgment (2021) Su Tzu No. 980

Industry: Manufacture of Other Non-metallic Furniture (3219)

Relevant Law(s): Article 21 of the Fair Trade Law

Summary:

1. Earlier, the appellee (FTC) concluded that the wording of “Robusta beds –a classic Swiss brand” on the Hua Wei Facebook wall, company website and sales outlets between January 2019 and March 2021 and “Robusta beds...Made in Switzerland” (hereinafter referred to as “the advertisement in question”) on the Hua Wei Facebook between Jan. 7 2019 and Jul. 17. 2020 posted by the appellant had been a false and misleading representation with regard to the quality and place of origin of the product and likely to affect transaction decisions in violation of Article 21(1) of the Fair Trade Law. Therefore, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed on the appellant an administrative fine of 500,000 New Taiwan dollars (same currency applies hereinafter). The appellant found the sanction unacceptable and filed the administrative litigation.
2. The purpose of Article 21(1) of the Fair Trade Law is to ensure fair competition, protect consumer interests and prevent enterprises from using product labels, advertisements or any other methods to make known to the public false or misleading representations or symbols. Such practices have to be condemned because they are illegitimate means of using false or misleading information to attract consumers for the purpose of gaining transaction opportunities. Therefore, if an enterprise adopts services, advertisements or any other methods to make known to the public any false or misleading representation regarding the quality or content of the product to create transaction opportunities, it can be considered in violation of Article 21(1) of the Fair Trade Law. As for whether any of the persons such information was conveyed to was actually deceived or suffered damages is not irrelevant.

3. Perfectly aware that the Robusta beds (hereinafter referred to as “the products in question”) were made in Taiwan, rather than in Switzerland, the appellant claimed on Facebook, its website and in advertisements that the products in question were made in Switzerland and they were the products of a classic Swiss brand. Obviously, the claim was a false and misleading representation with regard to the quality and place of origin of the product in question. Despite that the appellant used the product information provided by Yu Hai Sheng Furniture Co., Ltd. (hereinafter referred to as “Yu Hai Sheng Furniture ”) managed by the older brother of the person in charge of the appellant to produce the advertisements posted by the company, the advertisements did not have to be reviewed by Yu Hai Sheng Furniture. Meanwhile, consumers purchased the products from the appellant and the product information they read at the appellant’s sales outlets or on Facebook or the appellant’s company website was put up by the appellant to affect consumers to make their transaction decisions. Therefore, it did not matter at all whether the advertisements were produced by the appellant or by Yu Hai Sheng Furniture for the appellant to put up. Since consumers acquired the product information at the appellant’s sales outlets or website and decided to make purchases, and the appellant made a profit as a result, it was reasonable to consider the appellant was the advertiser. Therefore, there was no doubt that the appellant violated Article 21(1) of the Fair Trade Law.
4. As stated in the original decision, the FTC concluded that the appellant had violated Article 21(1) of the Fair Trade Law and imposed on it an administrative fine of 500,000 dollars. It was a legally justifiable decision. The claims presented by the appellant to apply for revocation of the original sanction were all groundless. Therefore, Taipei High Administrative Court rejected the appeal.

Appendix:

Hwa Wei International Furniture Co Ltd.’s Uniform Invoice Number:
50973892

Summarized by: Jan, Lih-Ling; Supervised by: Kuo, An-Ci