

Eastern Home Shopping & Leisure Co., Ltd.’ and G. Giant Inc.

1406th Commissioners’ Meeting (2018)

Case: Eastern Home Shopping and G. Giant violated the Fair Trade Law for posting false advertisements to market “Super Clean Pomelo Essential Oil Laundry Powder”

Keyword(s): False advertising, laundry powder

Reference: Fair Trade Commission Decision of October 17, 2018 (the 1406th Commissioners’ Meeting); Disposition Kung Ch’u Tzu No. 107092

Industry: Retail Sale of Other Household Appliances and Goods at Specialized Stores (4749)

Relevant Law(s): Article 21(1) of the Fair Trade Law

Summary:

1. Eastern Home Shopping and Leisure Co., Ltd. (hereinafter referred to as Eastern Home Shopping) and G. Giant Inc. (hereinafter referred to as G. Giant) posted a TV commercial to market the “Super Clean Pomelo Essential Oil Laundry Powder” (hereinafter referred to as the advertised laundry powder). In the commercial, the two companies made a false and misleading representation with regard to the quality of the product at issue and also able to affect transaction decision. The practice was in violation of Article 21(1) of the Fair Trade Law.
2. Findings of the FTC after investigation:
 - (1) The commercial presented three comparative experiments and it was claimed that, compared to other chemical laundry powder products available on the market, “the advertised laundry powder can completely clean cotton that has been soaked in sludge,” “use of other chemical laundry powder products would end up causing colors to lose their brilliance,” “the advertised laundry makes clothes cleaner and cleaner,” “other laundry powder products can result in color stains in clothes” and “the advertised laundry powder does not cause color stains.” The FTC’s investigation showed that the conditions adopted in the experiments were not consistent or specific dyes were applied. Therefore, it was a false and misleading representation.
 - (2) It was claimed in the commercial at issue that the advertised laundry powder can “remove stains from soy sauce, ink, person seals, finger nail polish and engine oil and get rid of blemishes from mango juice, cherry juice and betel nut juice within 20 seconds” and “clean dirty mops completely” and it can also be used to “soak clothes and stuffed toys with stains from ketchup, oyster sauce or engine oil and the stains would come off instantly,” “eliminate old collar stains,” “quickly decompose stubborn dirt stains in socks,” “soak shoes and make them look new again,” “disintegrate excessive blue and red pigments to prevent clothes from staining each other during washing” and “remove oil stains from pots and pans after dilution.” The FTC’s investigation revealed that either clothes of special materials were made wet before the experiment so the stains put on could be washed off immediately, or dust was put on wet clothes so that it could be removed right away, or concentrated iodine was applied to replace heavy oil stains. The difference was difficult for

the public to accept because it could cause consumers to have wrong perceptions or make wrong decisions. Therefore, the practice was a false and misleading representation.

3. Grounds for disposition:

- (1) When marketing the Super Clean Pomelo Essential Oil Laundry Powder, the offenders made a false and misleading representation with regard to the quality of the product able to affect transaction decision. The practice was in violation of Paragraph 1 of Article 21 of the Fair Trade Law.
- (2) After assessing the motive and purpose of Eastern Home Shopping and G. Giant as well as the illegitimate profits expected, the FTC cited the first Section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$500,000 on Eastern Home Shopping and NT\$300,000 on G. Giant.

Appendix:

Eastern Home Shopping & Leisure Co., Ltd.'s Uniform Invoice Number: 22456427

G. Giant Inc.'s Uniform Invoice Number: 34102049

Summarized by Hsiao, An-Ju; Supervised by: Chen, Jen-Ying