

Bri-rich International Co. Ltd. & Momo.com Inc.

1444th Commissioners' Meeting (2019)

Case: Bri-rich International and Momo.com violated the Fair Trade Law by posting false advertisements on momoshop.com to market the "(Muhui) North European Style double-door storage box with large clear panels and increased height (6 pieces)"

Keyword(s): Storage box, false advertising, capacity

Reference: Fair Trade Commission Decision of July 10, 2019 (the 1444th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 108031

Industry: Retail Sale of Other Household Appliances and Goods in Specialized Stores (4749), Retail Sale via Mail Order Houses or via Internet (4871)

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

Summary:

1. When marketing the "(Muhui) North European Style double-door storage box with large clear panels and increased height (6 pieces)" (hereinafter referred to as the product at issue) on momoshop.com, Momo.com Inc. (hereinafter referred to as Momo.com) and Bri-rich International Co. Ltd. (hereinafter referred to as Bri-rich International), posted an advertisement containing the wordings of "95L," "95L large cubical space," "95L super large capacity" and "95L capacity for storage." However, the FTC's investigation revealed that the capacity of the product at issue was smaller than 97 liters. It was therefore a false advertising.
2. Findings of the FTC after investigation:
Process of investigation: The FTC requested Fubon Multimedia Technology and Bri-rich International to present their defense in writing and to give their statements in person at the FTC.
3. Grounds for disposition:
 - (1) The advertisement posted by Momo.com and Bri-rich International contained the wordings of "95L," "95L large cubical space," "95L super large capacity" and "95L capacity for storage." It gave people the impression that the internal space of the product at issue was 95 liters. Nonetheless, the result of measurement provided by Bri-rich International showed that the internal space of the product at issue, even with the length and width errors included, was only between 58 liters and 70 liters. In other words, the rather large difference between the capacity indicated in the advertisement and the actual capacity could make the general public have wrong perceptions about the quality of the product at issue or make wrong decisions. It was in violation of Paragraph 1 of Article 21 of the Fair Trade Law.
 - (2) After assessing the motive and purpose Momo.com and Bri-rich International had for the unlawful act, the inappropriate profit expected, the level of harm of the unlawful act to trading order, the duration of the unlawful act, the profit gained from the unlawful act, the scale of business, management condition and market status of each company, the types, frequency and intervals of violation in the past and the punishments received, the level of remorse and cooperativeness throughout the investigation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed NT\$50,000 on each company.

Appendix:

Bri-rich International Co. Ltd.'s Uniform Invoice Number: 28484857

Momo.com Inc.'s Uniform Invoice Number: 27365925

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