

Senao International Co., Ltd.

1448th Commissioners' Meeting (2019)

Case: Senao International violated the Fair Trade Law by posting false advertisements to market the “Whirlpool WDEE20W 10L Energy-saving dehumidifier”

Keyword(s): Dehumidifier, energy efficiency, false advertising

Reference: Fair Trade Commission Decision of August 8, 2019 (the 1448th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 108039

Industry: 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 Whirlpool WDEE20W energy-saving dehumidifier (hereinafter referred to as the product at issue), Senao International Co., Ltd. (hereinafter referred to as Senao International) posted its claim that the product at issue had passed the “National Level-1 Energy Performance Standard Certification” and had been rated as having “Level-1 Energy Efficiency.” It was false advertising.
2. Findings of the FTC after investigation:

Senao International posted on its website and at its retail outlets that the product at issue had passed the “National Level-1 Energy Performance Standard Certification” and had been rated as having “Level-1 Energy Efficiency.” Yet according to the Bureau of Energy of the Ministry of Economic Affairs, the energy efficiency of the product at issue had been registered as of Level 4. The company could not advertise it as a product of Level-1 energy efficiency.
3. Grounds for disposition:
 - (1) The energy efficiency level of household appliances is an important consideration when consumers decide whether they would make their purchases. Between January 2018 and January 2019, Senao International posted on its website and at its retail outlets the claim that the product at issue had passed the “National Level-1 Energy Performance Certification” and had been rated as having “Level-1 Energy Efficiency.” It gave people the impression that the product at issue had been registered with the Bureau of Energy as having Level-1 energy efficiency. However, according to the Bureau of Energy, the product had indeed been rated as having Level-1 energy efficiency. However, after the current “Standards for Approved Energy Consumption of Dehumidifiers and the Information, Methods and Inspections of Labeling of Energy Efficiency Levels” were revised and took effect on January 1, 2018, the energy efficiency of the product at issue was registered as belonging to Level 4 and could not be advertised as having Level-1 energy efficiency again. In other words, when Senao International advertised on its website and at its retail outlets that the product at issue had passed the “National Level-1 Energy Performance Certification” and had been rated as having “Level-1 Energy Efficiency,” it could cause the general public to have wrong perceptions or make wrong purchase decisions. The practice was in violation of Paragraph 1 of Article 21 of the Fair Trade Law.
 - (2) After assessing the motive of Senao International for the unlawful act, the level of harm of the unlawful act, the seriousness of the violation, the scale of business of the

company and the company's attitude after the violation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$100,000 on the company.

Appendix:

Senao International Co., Ltd.'s Uniform Invoice Number: 12228473

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