

Da Fong Enterprise

1438th Commissioners' Meeting (2019)

Case: Da Fong Enterprise violated the Fair Trade Law by posting false advertisements on its website to market learning materials

Keyword(s): False advertising, learning material

Reference: Fair Trade Commission Decision of May 29, 2019 (the 1438th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 108019

Industry: Retail Sale of Books and Stationery in Specialized Stores (4761)

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

Summary:

1. The FTC received complaints from private citizens that Da Fong Enterprise claimed that it was a franchisee of the USA Dr. Glenn Doman Institution of Education while it marketed learning materials published by Glenn Doman Co., Ltd. (hereinafter referred to as GDC). False Advertising was involved in this case.
2. Findings of the FTC after investigation:

Da Fong Enterprise set up the "Chen Youcheng family Education System" website to market learning materials published by GDC and posted the wordings of "celebrating the company becoming a franchisee of the Dr. Glenn Doman Institution of Education" and "celebrating the number of members achieving 3,000." The company claimed that it had been authorized by GDC to sell learning materials and more than 3,000 people had purchased learning materials from the company. Moreover, it claimed that the company had signed a contract with GD Baby's Programs (S) Pte Ltd.
3. Grounds for disposition:
 - (1) Da Fong Enterprise planned and produced the advertisement in question and posted it on the website to market the learning materials at issue. For the general public, the wordings of "celebrating the company becoming a franchisee of the Dr. Glenn Doman Institution of Education" and "celebrating the number of members achieving 3,000" could only be perceived as a description of Da Fong Enterprise's identity, qualification, management condition, and its relationship with Dr. Glenn Doman Institution of Education. However, according to the statements and evidences provided by Da Fong Enterprise, the claim was not based on its actual management condition and there were not any objective evidences to support the above claim. In other words, it was a false and misleading representation in violation of Paragraph 1 of Article 21 of the Fair Trade Law.
 - (2) After assessing the revenue of Da Fong Enterprise from the unlawful act, the company's motive, its management condition and market status, how many violations it has committed in the past, 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 on the company an administrative fine of NT\$50,000.

Appendix:

Da Fong Enterprise's Uniform Invoice Number: 99627639

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