

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 7, 2019, (the 1448 Commissioners' Meeting); Disposition Kung Ch'u Tzu No.108039

Industry: Retail Sale via Mail Order Houses or Via Internet (4871)

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

Summary:

1. When marketing the Whirlpool WDEE20W 10L energy-saving dehumidifier (hereinafter referred to as "the product"), Senao International Co., Ltd. (hereinafter referred to as "Senao International") posted an advertisement to claim that the product had passed the "National Level-1 Energy Performance Standard Certification" and had been rated as having "Level-1 Energy Efficiency." However, the energy efficiency of the product was only Level 4. It was false advertising.

2. Findings of the FTC after investigation:

Senao International posted on its company website and at its retail outlets the claim that the product had passed the "National Level-1 Energy Performance Standard Certification" and had been rated as having "Level-1 Energy Efficiency". According to the Bureau of Energy of the Ministry of Economic Affairs, however, the product had been registered as having Level-4 energy efficiency. Therefore, the company could not advertise it as a product with Level-1 energy efficiency.

3. Grounds for disposition:

(1) The energy efficiency rating of household appliances is an important consideration when consumers decide whether they would purchase some products. Between January 2018 and January 2019, Senao International advertised on its company website and at its retail outlets that the product had been certified as meeting the national Level-1 energy efficiency standard and had Level-1 energy efficiency. It gave people the impression that the product had been approved by the Bureau of Energy and registered as having Level-1 energy efficiency. According to the Bureau of Energy, the product had indeed been approved and registered as with Level-1 energy efficiency earlier. Nonetheless, according to the current "Dehumidifier Minimum Energy Performance Standard and Energy Efficiency Rating Labeling Information, Method and Inspection" that was amended and became effective on January 1, 2018, the product in concern was rated as having Level-4 energy efficiency and it should not be advertised as a product of Level-1 energy efficiency. In other words, the advertising practice of Senao International could cause the public to have wrong perceptions about the quality of the product at issue or make wrong decisions. It was in violation of Article 21(1) of the Fair Trade Law.

(2) After assessing the motive behind the unlawful act of Senao International, the level of harm, the seriousness of the violation, the business scale of the company

and the level of remorse, the FTC cited the first section of Article 42 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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