

Books.com Co., Ltd. & Victory Shieh Co., Ltd.

1479th Commissioners' Meeting (2020)

Case: Books.com and Victory Shieh violated the Fair Trade Law by posting false advertisements to market Sony SRS-XB12 Bluetooth speakers

Keyword(s): Speaker, NFC function, false advertisement

Reference: Fair Trade Commission Decision of March 11, 2020 (the 1479th Commissioners' Meeting); Disposition Kung Ch'u Tzu No.109014

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

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

Summary:

1. When surfing on the Internet, the FTC found out that Books.com Co., Ltd. (hereinafter referred to as "Books.com") and Victory Shieh Co., Ltd. (hereinafter referred to as "Victory Shieh") had posted the wording of "Sony SRS-XB12 NFC, a totally waterproof, colorful and delicate Bluetooth speaker" on www.books.com.tw to market the Sony SRS-XB12 Bluetooth speaker (hereinafter referred to as "the product in concern"). However, a further investigation revealed that the product at issue did not have the NFC (near field communication) function. Therefore, false advertising which in violation of Article 21 of the Fair Trade Law was suspected.

2. Findings of the FTC after investigation:

According to the written statements from and the explanations given both by Books.com and Victory Shieh at the FTC, Books.com managed a website and Victory Shieh was the supplier of the product in question. Both companies had jointly posted the advertisement for the product and made a profit. Nevertheless, they made the mistake of thinking the product had the NFC function as a result of negligence and posted the information. In reality, the product did not have the NFC function.

3. Grounds for disposition:

(1) When marketing the Sony SRS-XB12 Bluetooth speaker on the Internet, Books.com and Victory Shieh posted the wording of "Sony SRS-XB 12 with the NFC function, a totally waterproof, colorful and delicate Bluetooth speaker." It gave consumers the impression that the product in question was equipped with the NFC function. The FTC's investigation, however, showed that the product in question actually was not equipped with the NFC function. As mentioned earlier, the two companies claimed that they had made the mistake of thinking the product had the NFC function as a result of negligence and then posted the information. Nonetheless, it was their obligation to verify whether the product had the function as claimed before they began to market the product in question. Negligence could not be any excuse for them at all to shirk their responsibilities. In other words, the wording of "Sony SRS-XB12 Bluetooth speaker with the NFC function, a totally water proof, colorful delicate Bluetooth speaker" posted by Books.com and Victory Shieh between May and December in 2019 to market the product in question was able to cause the general public to have wrong perceptions about the

content of the product or make wrong decisions. It was in violation of Article 21(1) of the Fair Trade Law.

- (2) After assessing the motive of Books.com and Victory Shieh behind the unlawful act, the level of harm created, the seriousness of the violation, the business scale of each company, and the 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\$50,000 on each company.

Appendix:

Books.com Co., Ltd.'s Uniform Invoice Number: 96922355

Victory Shieh Co., Ltd.'s Uniform Invoice Number: 86340416

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