

## **Fubon Multimedia Technology Co., Ltd. & IB Technology Co., Ltd.**

1491<sup>st</sup> Commissioners' Meeting (2020)

Case: Fubon Multimedia Technology and IB Technology violated the Fair Trade Law by posting false advertisements to market air fryers

Keyword(s): Air fryer, momo shopping website, BSMI certification, false advertisement

Reference: Fair Trade Commission Decision of June 3, 2020 (the 1491<sup>st</sup> Commissioners' Meeting); Disposition Kung Ch'u Tzu No.109032

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 an air fryer (hereinafter referred to as "the product in question") on the momo shopping website, Fubon Multimedia Technology Co., Ltd. (hereinafter referred to as "Fubon Multimedia Technology") and IB Technology Co., Ltd. (hereinafter referred to as "IB Technology") claimed in an advertisement that the product in question was "the only one in Taiwan certified by BSMI." However, the FTC's investigation showed some air fryers of other brands had also passed the certification by BSMI. Apparently, it was a false advertising.

### 2. Findings of the FTC after investigation:

- (1) According to the Bureau of Standard, Metrology and Inspection (BSMI) of the Ministry of Economic Affairs, 49 air fryer makers, including IB Technology, had passed the certification by BSMI and the BSMI had issued 57 certificates in total. In other words, it was not true that only the product in question or its maker had passed the certification.
- (2) When providing its statement at the FTC, IB Technology admitted that its careless omission of certain words had caused the advertisement to become misleading.

### 3. Grounds for disposition:

- (1) IB Technology marketed the product in question on the momo shopping website of Fubon Multimedia Technology and claimed in an advertisement that the product in question was "the only one in Taiwan certified by BSMI." The wording gave people the impression that the product in question was the only air fryer or the only brand passing the certification by BSMI. However, neither Fubon Multimedia Technology nor IB Technology was able to provide any data or evidence to prove the product in question was the only one in Taiwan passing the certification. According to the BSMI, 49 air fryer makers, including IB Technology, had passed the certification by BSMI and BSMI had issued 57 certificates. It was not true that only the product in question or its maker had passed the certification. Moreover, when providing its statement at the FTC, IB Technology also admitted that its careless omission of certain words had caused the advertisement to become misleading. In other words, when Fubon Multimedia Technology and IB

Technology claimed in the advertisement that the product in question was the only one in Taiwan passing the certification by BSMI when marketing the product, it could cause the general public to have wrong perceptions about the quality of the product in question or even 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 Fubon Multimedia Technology and IB Technology, the profits, the level of harm to trading order, the business scale, the management condition and market status of each company, their past violations, the degree of remorse after the violation, and the level of their cooperativeness throughout the investigation, 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:

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

IB Co., Ltd.'s Uniform Invoice Number: 54107296

Summarized by: Wu, Po-Chen; Supervised by: Tsao, Hui-Wen