

**Yuanshi Digital Technology Co., Ltd. &
Gaston Co., Ltd.**

1500th Commissioners' Meeting (2020)

Case: YSDT and Gaston violated the Fair Trade Law by posting false advertisements on friDay shopping website to market German-made dehumidifier

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

Reference: Fair Trade Commission Decision of August 5, 2020 (the 1500th Commissioners' Meeting); Disposition Kung Ch'u Tzu No.109045

Industry: Retail Sale via Mail Order Houses or via Internet (4871), Retail Sale of Electrical Household Appliances in Specialized Stores (4741)

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

Summary:

1. When marketing the German-made Heller KED-213 13.6L smart, energy-saving and clean plasma dehumidifier (hereinafter referred to as “the product in concern”) on the friDay shopping website, Yuanshi Digital Technology Co., Ltd. (hereinafter referred to as “YSDT”) and Gaston Co., Ltd. (hereinafter referred to as “Gaston”) posted in an advertisement with the wordings of “first class energy efficiency” and “entire series first class energy efficiency.” However, on the Energy Efficiency Rating Label Management System of the Bureau of Energy of the Ministry of Economic Affairs, the product in concern was rated as the third class. As a result, false advertising was involved.
2. Findings of the FTC after investigation:
The FTC sent a written request to YSDT and Gaston respectively in which they were asked to provide written statements as well as to be interviewed at the FTC. Meanwhile, the Bureau of Energy of the Ministry of Economic Affairs was also requested to provide its opinion.
3. Grounds for disposition:
(1) YSDT and Gaston marketed the product in concern on the friDay shopping website between January 2018 and December 2019. They posted the wordings of “first class energy efficiency” and “entire series first class energy efficiency” in the advertisement. The claim gave consumers the impression that the product in concern had been rated by the Bureau of Energy as first class energy efficiency and would consume less energy compared with similar dehumidifiers in other rating classes. The product in concern had indeed been rated by the Bureau of Energy as having first class energy efficiency earlier. Nevertheless, the Bureau of Energy noted that the energy efficiency of the product in concern had become third class after the current “Requirements on Minimum Energy Performance Standard and Energy Efficiency Rating Labeling and Inspection of Dehumidifiers” took effect on January 1, 2018. In other words, the energy efficiency of the product in concern should have been revised accordingly. As the energy efficiency rating of household appliances was an important consideration for a consumer to make purchase, it would be able to cause the general public to

have misunderstandings on the quality of the product in concern or to make erroneous decisions when the aforementioned energy efficiency rating of the product in concern posted by YSDT and Gaston in the advertisement was inconsistent with the fact. Therefore, the claim in the advertisement was in violation of Article 21(1) of the Fair Trade Law.

- (2) After assessing the motive and purpose behind the unlawful conduct of YSDT and Gaston, the illegitimate profit expected, the level of harm to trading order, the duration, the profit gained, the business scale, operation condition and market position of the two companies, past records of violations, the level of remorse and attitude of cooperation in the investigation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed administrative fines of NT\$50,000 on each company respectively.

Appendix:

Yuanshi Digital Technology Co., Ltd.'s Uniform Invoice Number: 54349098

Gaston Co., Ltd.'s Uniform Invoice Number: 89376922

Summarized by: Fang, Wei-Siang; Supervised by: Hsieh, Hsiu-Lin