

Soar Culture Co., Ltd.

1513rd Commissioners' Meeting (2020)

Case: Soar Culture violated the Fair Trade Law by posting an advertisement in United Daily News

Keyword(s): US banknote, US Federal Reserve Bank, product production and release

Reference: Fair Trade Commission Decision of November 4, 2020 (the 1513rd Commissioners' Meeting); Disposition Kung Ch'u Tzu No.109058

Industry: Retail Sale of Other New Goods in Specialized Stores (4852)

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

Summary:

1. Soar Culture Co., Ltd. (hereinafter referred to as "Soar Culture") posted an advertisement (hereinafter referred to as "the advertisement in question") in the United Daily News under the title of "World No. 1 Buddhist banknotes' 32 uncut bills released to celebrate the New Year and pray for better luck." The company claimed that the Buddhist banknotes (hereinafter referred to as "the product in question") were uncut bills specifically released by the US Federal Reserve Bank for the exhibition tour of the bone relics of Buddha in China. However, when the Department of International Affairs of the Ministry of Justice Investigation Bureau verified with the Hong Kong Office of the US Secret Service (USSS), the reply was neither the US Federal Reserve Bank nor the United States Mint of Department of the Treasury had printed any US banknotes with a Buddha picture or the Chinese character "福 (fortune)". Besides, the production certificate that Soar Culture possessed was not issued by the US government. Therefore, Soar Culture was in violation of Article 21(1) of the Fair Trade Law.

2. Findings of the FTC after investigation:

(1) The FTC sent a written request to Soar Culture that asked it for a written statement on this investigation and to be interviewed at the FTC. According to Soar Culture, the content of the advertisement in question as well as the "US Banknote Authenticity Certificate" and the other five documents were from Beijing Zhongjingge Co., Ltd. in China, and Soar Culture admitted that it had failed to verify with the domestic competent authority whether the product in question had been produced and released by the US Federal Reserve Bank, nor to request a third party to verify the authenticity of the "US Banknote Authenticity Certificate" and the 5 other documents.

3. Grounds for disposition:

(1) The text and pictures on the advertisement in question were produced and compiled by Soar Culture, and then provided to be posted in the United Daily News. Moreover, the "Collection Announcement" at the end of the advertisement clearly indicated the price of the product in question, the name, address, URL and phone number of Soar Culture, as well as a message welcoming consumers to the company for a visit. In the understanding of consumers, Soar Culture was the trading counterpart. Therefore, as Soar Culture posted and circulated the

advertisement through the United Daily News to market the product in question as the seller. It was considered to be the advertiser in this case.

- (2) On January 30, 2018, Soar Culture posted an advertisement in the United Daily News for the product in question and claimed the Buddhist banknotes had been “specifically released by the US Federal Reserve Bank for the exhibition tour of the bone relics of Buddha in China” and that “The US Department of the Treasury instructed the US Federal Reserve Bank to produce and release a limited edition of this commemorative uncut banknotes.” The wordings gave people the impression that the uncut banknotes carrying the Buddha picture and the Chinese character “福 (fortune)” had really been specifically produced and released by the US Federal Reserve Bank. However, according to the Taichung City Field Division of the Ministry of Justice Investigation Bureau, the US Federal Reserve Bank had never printed any banknote carrying the Buddha picture or the Chinese character “福(fortune).” In other words, the claim in the advertisement in question that the product in question had been produced and released by the US Federal Reserve Bank was inconsistent with the fact and it could cause trading counterparts to have misunderstandings or make erroneous decisions. It was in violation of Article 21(1) of the Fair Trade Law.
- (3) After assessing the motivation and purpose of Soar Culture to engage in the unlawful conduct, the illegitimate profits expected, the degree of harm to trading order, the duration, the profits gained, the business scale, operation condition and market position of the company, past records of violations, remorse shown for the act and attitude of cooperation in 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 the company.

Appendix:

Soar Culture Co., Ltd.’s Uniform Invoice Number: 53949469

Summarized by: Tseng, Huei-Yi; Supervised by: Hsieh, Hsiu-Lin