

Chaohuang Co., Ltd.

1535th Commissioners' Meeting (2021)

Case: Chaohuang violated the Fair Trade Law by posting false advertisements to market its Keshuai Air Fryer model AF606

Keyword(s): Air fryer, BSMI, false advertisement

Reference: Fair Trade Commission Decision of April 14, 2021 (the 1535th Commissioners' Meeting); Disposition Kung Ch'u Tzu No.110023

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 its “Keshuai Air Fryer model AF606” product, Chaohuang Co., Ltd. (hereinafter referred to as “Chaohuang”) posted the wordings of “the only one in Taiwan certified by the Bureau of Standard, Metrology and Inspection (BSMI)” and “the only one passing the safety certification BSMI: R3B697.” However, the FTC’s investigation revealed there were other air fryer products or brands that have survived the process of safety certification. Therefore, false advertising was involved.
2. Findings of the FTC after investigation:
Chaohuang claimed in the advertisement for the product in question that it was “the only one in Taiwan certified by the BSMI” and “the only one passing the safety certification BSMI: R3B697.” However, according to the BSMI, the product in question was not the first one registered in the BSMI system. Neither was it the only air fryer passing the BSMI certification when it was registered.
3. Grounds for disposition:
 - (1) On the PChome Online 24h shopping website between December 2019 and September 2020 and on the Shopee shopping website between October 2019 and September 2020, Chaohuang claimed in its advertisements that the product was “the only on certified by the BSMI” and “the only one passing the safety certification BSMI: R3B697.” The wordings gave people the impression that the product in question was the only air fryer product or brand passing the BSMI’s safety certification. However, according to the BSMI, the

product in question was by no means the only air fryer product or brand given a safety certificate. In other words, the claim posted by Chaohuang on the PChome Online 24h shopping website and the Shopee shopping website that the product was “the only on certified by the BSMI” and “the only one passing the safety certification BSMI: R3B697” could cause the general public to have wrong perceptions or make wrong decisions. It was in violation of Article 21(1) of the Fair Trade Law.

- (2) After assessing the motivation and purpose behind the unlawful act of Chaohuang, the improper benefit expected, the degree of harm to market order, the duration of its unlawful act, the profits obtained, the business scale, management condition and market position of the company, past violations, remorse after the violation, and the attitude of cooperation during the investigation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$100,000 on the company.

Appendix:

Chaohuang Co., Ltd.'s Uniform Invoice Number: 50988136

Summarized by: Chang, Yen-Tzu; Supervised by: Lai, Mei-Hua