

Hwa Wei Furniture

1551st Commissioners' Meeting (2021)

Case: Hwa Wei Furniture violated the Fair Trade Law for posting false advertisements on its Facebook and website claiming its Robusta bed series was a classic brand from Switzerland

Keyword(s): False advertisement, mattress, place of origin

Reference: Fair Trade Commission Decision of July 7, 2021 (the 1551st Commissioners' Meeting); Disposition Kun Ch'u Tzu No.110051

Industry: Manufacture of Other Non-metallic Furniture (3219)

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

Summary:

1. The FTC received complaints from private citizens saying when they visited Hwa Wei International Furniture Co Ltd. (hereinafter referred to as "Hwa Wei Furniture") to purchase mattresses, the salespersons told them that the Robusta series was a brand imported from Switzerland but they were unable to produce a letter of authorization from the original manufacturer. Further, the picture attached to the article Hwa Wei Furniture posted on Facebook on January 7, 2019 also carried the text of "Robusta bed series...made in Switzerland," but the mattress label attached otherwise showed the wordings of "Made in Taiwan." False advertising was thus suspected. In addition, Hwa Wei Furniture also posted on its Facebook page the claim of "Robusta bed series—a classic brand from Switzerland." Therefore, the FTC decided to look into the matter to see if the claim had any basis.
2. Findings of the FTC after investigation:
 - (1) According to mattress manufacturer Yu Hai Sheng Furniture Co., Ltd Yu (hereinafter referred to as "Yu Hai Sheng"), the company produced and named all the mattresses of the Robusta bed series, the products, production process or materials had nothing to do with the Robusta brand in Switzerland. In the beginning, the contract carried the wordings of "Party A provided the RB and TA series of the Swiss Robusta brand to be sold exclusively by Party B" was incorrect.
 - (2) Hwa Wei International Furniture admitted that the series of mattresses was made by Yu Hai Sheng in Taiwan. The wordings of

“Made in Switzerland” on the label shown in the picture was a typographical error as a result of the negligence of the typesetting workers of Yu Hai Sheng.

3. Grounds for disposition:

- (1) The claim of “Robusta bed series—a classic brand from Switzerland” gave people the impression that the mattresses of the Robusta bed series were a Swiss brand and they had something to do with Switzerland. However, according to Yu Hai Sheng the mattress manufacturer, the production process of or the materials used for the series of mattresses had nothing to do with the Robusta brand in Switzerland. Since the wordings of “a classic brand from Switzerland” was closely associated with confidence in the quality of the products, it could have an effect on consumers when they made transaction decisions. The advertisement was inconsistent with the fact and it was very likely to cause trading counterparts to have wrong perceptions or make wrong decisions.
- (2) The picture attached to the article posted by Hwa Wei Furniture on the company’s Facebook page carried the wordings of “Robusta bed series...made in Switzerland.” It gave people the impression that the mattresses of the Robusta bed series were made in Switzerland. Hwa Wei Furniture confessed that the mattresses of the series were made by Yu Hai Sheng in Taiwan and the wordings of “Made in Switzerland” was a typographical error resulted from the negligence of the typesetting workers of Yu Hai Sheng. The products in question were obviously not made in Switzerland, but the picture in the advertisement showed the wordings of “Made in Switzerland.” A product’s place of origin was a factor that could affect consumers’ transaction decisions. However, the advertisement was inconsistent with the fact. Apparently, it could cause trading counterparts to have wrong perceptions or make wrong decisions.
- (3) As mentioned above, Hwa Wei Furniture and Yu Hai Sheng posted the wordings of “Robusta bed series—a classic brand from Switzerland” and “Made in Switzerland” to market the mattresses of the Robusta series. It was a false and misleading representation with regard to quality of product and also could affect transaction decisions in violation of Article 21(1) of the Fair Trade Law. Therefore, the FTC imposed administrative fines of NT\$500,000 on Hwa Wei Furniture and NT\$200,000 on Yu Hai Sheng respectively.

Appendix:

Hwa Wei International Furniture Co Ltd.'s Uniform Invoice Number:
50973892

Yu Hai Sheng Furniture Co., Ltd.'s Uniform Invoice Number:
89640985

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