

## **Jiu Jian Co., Ltd.**

1558<sup>th</sup> Commissioners' Meeting (2021)

Case: Jiu Jian Co., Ltd. Violated the Fair Trade Law for posting false advertisements to market Jinkon JD warm and hot water dispensers

Keyword(s): Water dispenser, Energy Label, false advertisement

Reference: Fair Trade Commission Decision of August 25, 2021 (the 1558th Commissioners' Meeting); Disposition Kung Ch'u Tzu No.110060

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 the Jinkon JD-5322B warm and hot water dispenser (hereinafter referred to as "the product in question"), Jiu Jian Co., Ltd. (hereinafter referred to as "Jiu Jian") posted the wordings of "Awarded the Energy Label by the Bureau of Energy." However, the FTC's investigation revealed that the Energy Label certificate for the product in question had expired and no further application had been filed for re-inspections to regain the certificate. It was false advertising.
2. Findings of the FTC after investigation:  
Jiu Jian posted an advertisement carrying the wordings of "Awarded the Energy Label by the Bureau of Energy" to market the product in question. However, according to the Bureau of Energy, the Energy Label certificate had expired on Nov. 26, 2018 and no application had been filed to request for reinspections to get the Energy Label.
3. Grounds for disposition:
  - (1) When marketing the product in question on the Rakuten website between March and November 2020, Jiu Jian posted the wordings of "Awarded the Energy Label by the Bureau of Energy." It gave people the impression that the product in question would consume less energy compared to other warm and hot water dispensers without the Energy Label. Nevertheless, according to the Bureau of Energy, the Energy Label certificate for the product in question had expired on Nov. 26, 2018 and no further application had been filed for re-inspections to regain the Energy Label. Moreover, when the

Bureau of Energy delegated the Industrial Technology Research Institute to look into information on online shopping platforms, the same violation of claiming the product being awarded the Energy Label was found in May 2019. The Bureau of Energy consequently sent a notification asking the offender to make corrections within a given period. However, a second inspection conducted on November 9 of 2020 revealed that the violation still existed. In other words, knowing the Energy Label for the product in question had expired, Jiu Jian still continued to past the wordings of “Awarded the Energy Label by the Bureau of Energy” in its advertisements. The claim could cause the general public to have erroneous perceptions about the quality of the product in question or make wrong decisions. The conduct was in violation of Article 21(1) of the Fair Trade Law.

- (2) After assessing the motivation and purpose of Jiu Jian to engage in the unlawful act, expected improper benefit of the acts, the degree of harm to trading order, the duration of the unlawful acts, benefits derived on account of the unlawful acts, the business scale, operating condition, and market position of the company, past violations, the level of remorse and the degree of cooperativeness throughout the investigation, the FTC cited the first section of the Fair Trade Law and imposed on the company an administrative fine of NT\$200,000.

Appendix:

Jiu Jian Co., Ltd.’s Uniform Invoice Number: 28139526

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