

Tongguan Gas Engineering Co.

1562nd Commissioners' Meeting (2021)

Case: Tongguan Gas Engineering Co. violated the Fair Trade Law for adopting illegal approaches to market gas safety devices

Keyword(s): Deception, gas safety inspection

Reference: Fair Trade Commission Decision of September 22, 2021 (the 1562nd Commissioners' Meeting); Disposition Kung Ch'u Tzu No.110065

Industry: Other Retail Sale Not in Stores or Stalls (4879)

Relevant Law(s): Article 25 of the Fair Trade Law

Summary:

1. The FTC received complaints from private citizens accusing Tongguan Gas Engineering Co. of using a name similar to The Great Taipei Gas Corporation, the local natural gas supplier, as well as printed out and distributed "The Great Taipei Gas Service Notice" to push gas safety devices. The practice was in violation of the Fair Trade Law.
2. Findings of the FTC after investigation and grounds for disposition:
 - (1) Acting according to Article 39 of the Administrative Procedure Act, the FTC sent double-registered letters to and also telephoned Tongguan Gas Engineering Co. several times in which the company was asked to come to the FTC to give its statement. However, the company refused to comply after receiving the letters and the telephone calls. Therefore, the FTC directly reviewed the case in accordance with Articles 102 and 103 of the Administrative Procedure Act as well as existing evidences.
 - (2) Tongguan Gas Engineering Co. enlarged the title of "The Greater Taipei Gas Service Notice" on its service notice that also carried the text of "Personnel to be sent to perform gas pipe and valve safety inspections in your home" and "Safety inspection service hotline," all were normally printed on gas pipe safety inspection notices. However, as set forth in the Natural Gas Enterprise Act, only natural gas utility enterprises have the authority to conduct gas pipe safety inspections. Tongguan Gas Engineering Co. did not have the authority. Moreover, the company's staff members wore uniforms to visit private homes. It made people think they were service personnel from the local natural gas utility enterprise and allow them to enter their homes to make inspections. Afterwards, the staff members told the people certain

equipment had to be replaced and collected charges. Apparently, Tongguan Gas Engineering Co. tried to create the impression that its personnel came from the local natural gas utility enterprise. The practice was deceptive conduct to conceal the company's true identity of being a gas safety equipment vender and to mislead consumers. Plus, the company printed the service notice out of the intention to sell gas safety devices to a large number of unspecific people (potential customers). For this reason, the conduct had to be considered able to affect trading order.

- (3) As described above, Tongguan Gas Engineering Co. used gas safety inspection service notices and uniforms to give people the impression that its employees came from the local natural gas utility enterprise in order to sell its gas safety devices. The FTC concluded that the overall marketing approach was a deceptive conduct of concealing its true identity of being a gas safety equipment vender to mislead consumers. The practice was able to affect trading order in violation of Article 25 of the Fair Trade Law. Therefore, the FTC imposed an administrative fine of NT\$50,000 on the company.

Appendix:

Tongguan Gas Engineering Co.'s Uniform Invoice Number: 31691084

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