

Eastern Home Shopping and Lanni Co., Ltd.

1605th Commissioners' Meeting (2022)

Case: Eastern Home Shopping and Lanni Co., Ltd. violated the Fair Trade Law by posting false advertisements to market “Dylce” double-layered body-slimming, abdominal fat-reducing and hip-lifting pants

Keyword(s): Fat burning and body slimming, body-shaping pants, false advertisement

Reference: Fair Trade Commission Decision of June 29, 2022 (the 1605th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 111052

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 “Dylce” double-layered body-slimming, abdominal fat-reducing and hip-lifting pants (hereinafter referred to as the product) on ETMall, Eastern Home Shopping and Leisure Co., Ltd. (hereinafter referred to as Eastern Home Shopping) and Lanni Co., Ltd. posted the wordings of “4 volcanic energy rocks to reduce abdominal flat” and “burning fat to achieve slimming.” However, there was no medical theory or clinical test report to support the claim that no exercise was needed and just wearing normal clothes could burn fat and reduce the abdomen to achieve body slimming. It was false advertising.
2. Findings of the FTC after investigation:
Lanni Co., Ltd. purchased the product from suppliers in China through Alibaba 1688 Wholesale Network, changed the simplified Chinese characters in the image files and descriptions to traditional Chinese characters, and uploaded the pictures and texts to ETMall, which was managed by Eastern Home Shopping. Both companies marketed the product without verifying the authenticity of the claim of “4 volcanic energy stones to reduce abdominal flat” and “burning fat to achieve slimming” or providing any supporting evidences on the claim.
3. Grounds for disposition:
 - (1) ETMall was operated by Eastern Home Shopping. Consumers found out about products after seeing advertisements on website, made purchases and paid, and then Eastern Home Shopping issued invoices to consumers. Meanwhile, Lanni Co., Ltd. produced the advertisements and uploaded them

to ETMall to market the product. Both Eastern Home Shopping and Lanni Co., Ltd. profited when sales were made. Therefore, both companies were advertisers.

- (2) The claim of “4 volcanic energy stones to reduce abdominal flat” and “burning fat to achieve slimming” in the advertisement gave people the impression that they could reduce the abdomen and burn fat to achieve slimming simply by wearing the product. Nonetheless, both Eastern Home Shopping and Lanni Co., Ltd. could not provide any medical theory or clinical test report to explain how energy stones could reduce the abdomen and burn fat. In other words, the claim was a false and misleading representation with regard to the product quality and also could affect transaction decision in violation of Article 21(1) of the Fair Trade Law. After assessing the motive and purpose behind the unlawful act of Eastern Home Shopping and Lanni Co., Ltd., the inappropriate profit expected, the level of harm to trading order, the duration of the act, the profit obtained, the business scale, management condition and market status of the offenders, past violations, the corrections made, and cooperativeness throughout the investigation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$80,000 of each company.

Appendix:

Eastern Home Shopping and Leisure Co., Ltd.’s Uniform Invoice Number:
22456427

Lanni Co., Ltd.’s Uniform Invoice Number: 54702295

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