

## Eastern Home Shopping and Chiuan Terng International

### 1620<sup>th</sup> Commissioners' Meeting (2022)

Case: Eastern Home Shopping and Chiuan Terng International violated the Fair Trade Law by posting false advertisements to market US-made St. Malo men's jackets made with sterilizing Ionic+ silver fiber fabric

Keyword(s): New coronavirus, false advertisement

Reference: Fair Trade Commission Decision of October 12, 2022 (the 1620<sup>th</sup> Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 111074

Industry: Retail Sale via Mail Order Houses or via Internet (4871)

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

#### Summary:

1. Due to the COVID-19 pandemic, epidemic prevention products sold well. The FTC received complaints that when marketing "St. Malo—American leading authority on sterilization—Ionic+ silver fiber men's jackets" and "St. Malo US military antibacterial Ionic+ silver fiber English-style men's jackets," ETMall claimed that the products could "exterminate 99.9% new coronaviruses," "wipe out 99.8% new coronaviruses" and "the effect lasts forever." The Ministry of Health and Welfare thought the claim was false. Therefore, the FTC launched an investigation.
2. Findings of the FTC after investigation:
  - (1) Chiuan Terng International Co., Ltd. (hereinafter referred to as Chiuan Terng International) supplied the products to be sold by Eastern Home Shopping and Leisure Co., Ltd. (hereinafter referred to as Eastern Home Shopping). Chiuan Terng International was responsible for providing the advertising materials while Eastern Home Shopping produced the program and advertisements as well as accepted orders from consumers, received payments and issued invoices.
  - (2) According to the professional opinion of Taiwan Textile Research Institute, the test reports from the seller did not indicate the components of the tested product. Consequently, it was impossible to confirm whether the components of the abovementioned products were the same. As for the anti-staphylococcus aureus effect of the tested product, because the biological nature of germ was different from that of virus, it was not appropriate to infer the product had the same anti-virus effect. Meanwhile,

Chang Gung University also provided its opinion that the test report only mentioned the inhibitory effect after contacting for a certain time period. It could not serve as evidences that the effect of new coronavirus inhibition could last forever after the products were washed.

3. Grounds for disposition:

- (1) The statements in the advertisements claimed that the products could “exterminate 99.9% new coronaviruses” and “wipe out 99.8% new coronaviruses” and “the effect lasts forever.” It gave people the impression that the products could exterminate new coronaviruses and the effect could last forever even after the products were washed. Chiuan Terng International expressed it was impossible to find out whether the fabric of the tested product was the same as the abovementioned products. Therefore, the test report could not prove the products could “exterminate 99.9% new coronaviruses” and “wipe out 99.8% new coronaviruses. The company also admitted that there was no test report to support the effect of new coronavirus extermination could last forever. However, the advertisements claimed the new coronavirus extermination effect of the abovementioned products could last for good. Obviously, it was a false and misleading representation with regard to product quality and also could affect transaction decision that was in violation of Article 21(1) of the Fair Trade Law.
- (2) After assessing the motive and purpose behind the unlawful act of Eastern Home Shopping and Chiuan Terng International, the inappropriate profit expected, the level of harm to trading order, the duration of the violation, the profit obtained, the business scale, management condition and market status of the each offender, past violations, the level of remorse and the 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\$200,000 on each company.

Appendix:

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

Chiuan Terng International Co., Ltd.’s Uniform Invoice Number: 86337279

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