Mimi Co. & Momo.com Inc.

1765th Commissioners' Meeting (2025)

Case: Mimi Co. violated the Fair Trade Act by making false or misleading representations regarding the energy efficiency of a "Hawrin 27-Liter Dehumidifier (HPWS-50K)" sold on the "momo" shopping website
Keyword(s): Dehumidifier; energy efficiency; false or\\ misleading advertising
Reference: Fair Trade Commission Decision of August 18, 2025 (the 1765th Commissioners' Meeting); Disposition Kung Ch'u Tzu No.114080
Industry: Intermediation Service Activities for Retail Sale (4870)
Relevant Law(s): Article 21 of the Fair Trade Act

Summary

1. Mimi Co. (hereinafter referred to as "Mimi") sold the "Hualing 27-Liter Dehumidifier (HPWS-50K)" (hereinafter referred to as the "product at issue") on the "momo" shopping website. The advertisement contained such claims as "Grade 1 Energy Efficiency" and "Energy Efficiency Rating: 1," as well as a Grade 1 energy efficiency label. However, according to the Energy Efficiency Rating Label Management System of the Bureau of Energy, Ministry of Economic Affairs, the energy efficiency rating registration for the product at issue had become invalid on April 23, 2024, while the advertisement continued to make the foregoing claims. The advertisement was therefore suspected of being false or misleading.

2. Findings of the FTC after investigation:
   The product at issue was supplied by Mimi and sold on the momo shopping website operated by Momo.Com Inc. (hereinafter referred to as "Momo"). Mimi prepared the advertisement at issue by referring to the website of the manufacturer, Hawrin Develops Co., Ltd. (hereinafter referred to as "Hawrin"), and posted it on the momo shopping website. At the time the advertisement was initially posted, the product at issue did in fact meet the requirements for Grade 1 energy efficiency. However, Hawrin subsequently applied on its own initiative to cancel the energy efficiency rating registration for the product at issue on April

23, 2024. Mimi did not immediately become aware of the cancellation and removed the advertisement after receiving notification from Momo in June 2024. The advertisement at issue was posted from April 27, 2022 to June 14, 2024, including the period from April 23 to June 14, 2024, during which the energy efficiency rating registration was no longer valid. According to the Bureau of Energy, a product that had not obtained approval and registration for an energy efficiency rating label could not be displayed or sold domestically, and any violation would be handled in accordance with Article 21 of the Energy Administration Act.

3. Grounds for the disposition:

(1) Momo operated the "momo" shopping website and was the seller that issued sales invoices. It therefore had the authority to determine and control the content of the advertisement for the product at issue. Mimi, pursuant to its agreement with Momo, prepared and uploaded the advertising information for the product at issue and directly benefited from sales generated through the soliciting effect of the advertisement. The FTC therefore determined that both Momo and Mimi were advertisers in this case.

(2) The advertisement for the product at issue contained such claims as "Grade 1 Energy Efficiency" and "Energy Efficiency Rating: 1," as well as a Grade 1 energy efficiency label. The overall impression conveyed was that the product at issue had been approved and registered by the Bureau of Energy as having a Grade 1 energy efficiency rating, which was the highest energy efficiency rating for products of the same category, and that it was more effective in reducing energy consumption than dehumidifiers with similar specifications. However, according to the Bureau of Energy, although the product at issue had been approved and registered as having a Grade 1 energy efficiency rating on December 14, 2017, the manufacturer, Hawrin, subsequently applied to cancel the energy efficiency rating label registration for the product. As a result, the energy efficiency rating registration for the product at issue became invalid on April 23, 2024. Given that the energy efficiency rating of a household appliance was an important factor affecting consumers' purchasing decisions for such products, the FTC determined that Mimi's continued claims of Grade 1 energy efficiency during the period in which the energy efficiency rating registration was invalid constituted false or misleading representations concerning the quality of the product that were material to consumers' purchasing decisions, in violation of Article 21, Paragraph 1 of the Fair Trade Act.

(3) After assessing the motive and purpose behind Momo's and Mimi's unlawful conduct, the inappropriate profit expected, the level of harm

to trading order, the duration of the act, the profit obtained, as well as the business scale, management condition, past violations, the corrections made, and cooperativeness throughout the investigation, the FTC cited the first section of Article 42 of the Fair Trade Act and imposed an administrative fine of NT$50,000 on each company.

Appendix:
Momo.com Inc.'s Uniform Invoice Number: 27365925
Mimi Co.'s Uniform Invoice Number: 53821717

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