

28 July 2023

High Court Dismisses Appeals by Nail Palace (BPP) Pte Ltd and Nail Palace (SM) Pte Ltd

 The High Court has, on 28 July 2023, dismissed the appeals by Nail Palace (BPP) Pte Ltd and Nail Palace (SM) Pte Ltd ("NP BPP" and "NP SM", respectively) against the accompanying orders granted by a District Court in relation to unfair practices by NP BPP and NP SM involving the supply of anti-fungal treatment packages to consumers.

Background

- 2. NP BPP and NP SM operate the Nail Palace branches located at Bukit Panjang Plaza and Simei East Point Mall respectively. On 17 December 2021, the Competition and Consumer Commission of Singapore ("CCCS") commenced separate legal proceedings in the State Courts seeking, amongst other things, declarations and injunctions against NP BPP and NP SM for having engaged in one or more unfair practices under the Consumer Protection (Fair Trading) Act 2003 ("CPFTA"). CCCS's investigations revealed that:
 - a. NP BPP and NP SM had each made false or misleading representations to a consumer concerning the need for an anti-fungal treatment package; and
 - b. NP SM had misled a consumer into taking several lipsticks and lip balms on the basis that they were provided free of charge as part of the anti-fungal treatment package, when the consumer was in fact charged for them.
- 3. On 8 August 2022 and 2 September 2022, a District Court granted the following orders against NP BPP and NP SM:
 - a. a declaration that NP BPP and NP SM had each engaged in an unfair practice by making a misleading representation on the need for fungal treatment or a fungal treatment package to a consumer;
 - b. a declaration that NP SM had engaged in a separate unfair practice by failing to inform a consumer that certain lipsticks and lip balms were included in the price of a fungal treatment package, which misled the consumer;
 - c. injunctions restraining NP BPP and NP SMM from engaging in the unfair practices set out above; and
 - d. accompanying orders requiring NP BPP and NP SM to:

- i. publish details of the declarations and injunctions ordered against them in the major newspapers in Singapore ("**Publication Orders**");
- inform and obtain the written acknowledgement of prospective customers of the declarations and injunctions ordered against NP BPP and NP SM before contracting with them ("Consumer Notification & Consent Orders"); and
- iii. inform CCCS of any changes to the business structures of NP BPP and NP SM.

Appeals by NP BPP and NP SM

- 4. On 14 September 2022, NP BPP and NP SM appealed to the High Court against the Publication Orders and the Consumer Notification & Consent Orders granted by the District Court.
- 5. The High Court has now dismissed the appeals. NP BPP and NP SM have to comply with the orders with immediate effect.

– End –

Encl. Infographic: Fair Trading Practices for Beauty Industry

About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore ("**CCCS**") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anticompetitive activities, issue directions to stop or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency for the Consumer Protection (Fair Trading) Act 2003 which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit <u>www.cccs.gov.sg</u>.

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