



Warning: Counterfeit!



SCHAEFFLER



What is Schaeffler doing to combat product piracy?

If I have obtained a counterfeit product, what will the cost be?

How can I be on the safe side when purchasing from Schaeffler?

Counterfeit?

Are counterfeit rolling bearings also an issue on my market?

What should I do if I become suspicious?

How can I check whether a sales partner certificate is genuine?

... you can find the
answers here





Product piracy affects us all!

Even today, many people still think that counterfeiting is a problem that only affects luxury brands. Whether it's watches, cosmetics, or handbags, markets teeming with counterfeit goods can always be found.

However, the truth of the matter is that today, there are counterfeits of virtually everything, especially machine parts. Now you're probably thinking, "But we surely don't have any of those – and anyway, I always buy from trustworthy sources with whom I have been working for years".

This is a huge misconception, and a lesson that the distributors who got caught up in large-scale cases of counterfeiting in Europe and the USA have had to learn the hard way...



The Schaeffler Brand Protection Team

Case 1



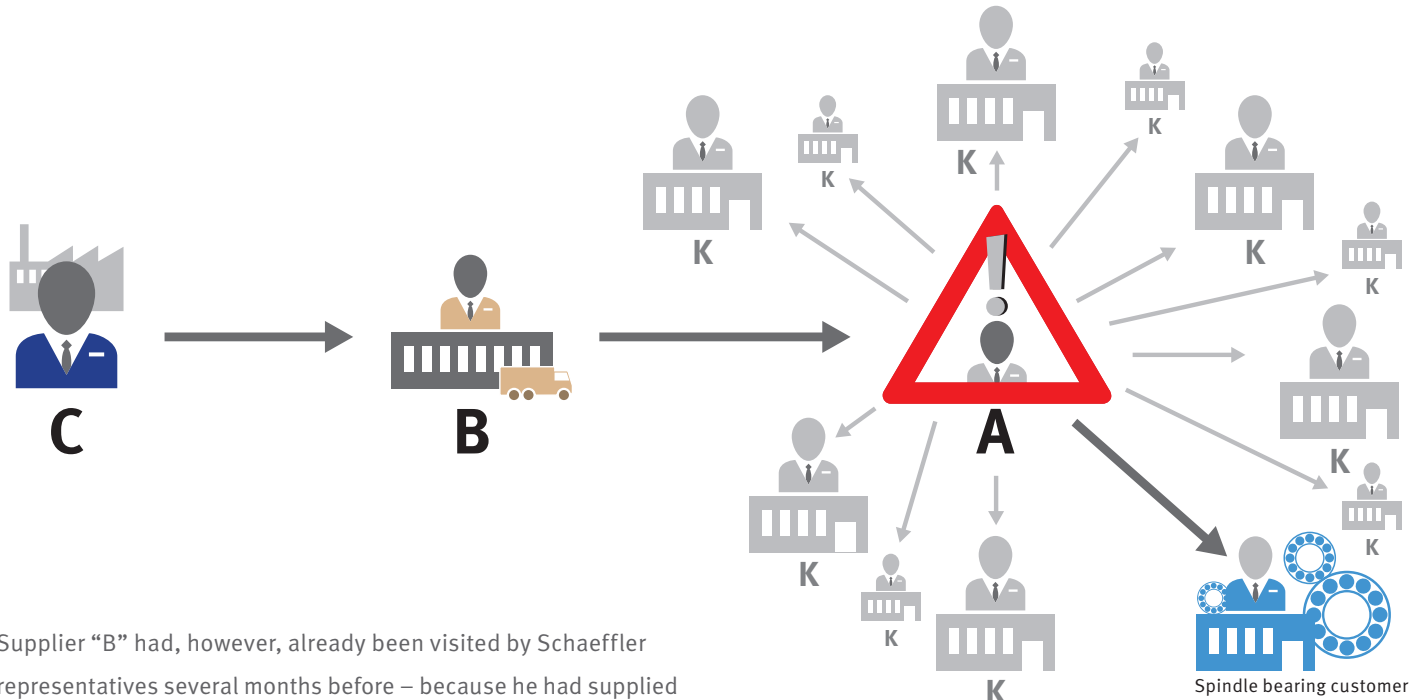
These counterfeit spindle bearings were found before they were installed



Spindle failure: A hazard for personnel and machinery (image source: Franz KESSLER)

Our first case was initiated by a conscientious authorized Schaeffler distributor, who was outbid by another distributor (whom we shall refer to as “A”) in a request for proposals issued by a customer from the mechanical engineering sector. Our partner said to himself, “There is no way that “A” can supply original products at such ridiculously low prices!”, so he contacted the customer and offered to have the quotation for the spindle bearings supplied by “A” checked by the Schaeffler Brand Protection Team to see whether they were original.

His suspicion that the goods were counterfeit was confirmed once the certificates were inspected. It wasn’t long after this that the customer had to start sending the spindles back, as the first ones had already failed during the running-in phase. “A” was utterly shocked when the Brand Protection Team paid him a visit: His supplier, “B”, had provided certificates that supposedly proved that he was getting original Schaeffler products. Unfortunately, what’s written down in black and white isn’t necessarily true, and “B” believed right until the end that his supplier, “C”, was supplying products from Schaeffler’s distribution center in Hong Kong.



Supplier “B” had, however, already been visited by Schaeffler representatives several months before – because he had supplied counterfeit bearings to another distributor. He had already submitted the requested declaration to cease and desist and been made explicitly aware of the dangers involved in importing goods from outside the European economic region.

Nevertheless, he had still believed that the documentation submitted by supplier “C” – supposedly from Hong Kong – was genuine,

and had not checked the certificates using our internet database. He is now worried that the customers’ claims for damages as a result of these purchases will push his company into insolvency – and wants us to “stop things like this happening”.

...unfortunately not an isolated incident



This was unfortunately not the only time that “A” had supplied counterfeit bearings. He had become many people’s distributor of choice when it came to urgent purchases, since he had reliably supplied original products in the past. His new source in Germany (“B”) initially helped to maximize his profits and improve his delivery reliability. “A” then supplied a wide range of product types (including spindle bearings, tapered roller bearings, and spherical roller bearings) from “B” to numerous distributors and end customers (“K”), all of whom were then utterly perplexed when they were visited by the Schaeffler Brand Protection Team and told that despite quality management measures and incoming goods inspections, they had sold their own customers counterfeit products, or even installed the products themselves.

It’s for your own safety! If you have even the slightest doubt as to whether a product is original, please send an e-mail with photographs to piracy@schaeffler.com



Case 2

A distributor in Houston (Texas) was more than a little shocked when Homeland Security agents and experts from various rolling bearing manufacturers – including Schaeffler – paid a visit to his premises. They informed him that he was suspected of counterfeiting, since two deliveries addressed to him had already been confiscated after being imported into the USA.

Several hundred thousand US dollars' worth of counterfeit bearings were seized, drastically reducing the distributor's stocks.

Unfortunately, this wasn't an isolated incident even in the USA...

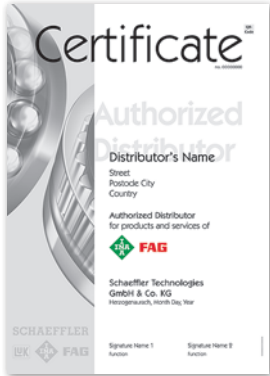


Counterfeit goods are not easy to identify



Counterfeits of bearings from every renowned rolling bearing manufacturer were found in the distributor's warehouse

Authorized Distributors



Original *Counterfeit*

There can only be ONE original, because all certificates are printed at a central location. Deviations of any kind are a sign of danger. Please report every suspicious case to us – even if you are only slightly in doubt as to the authenticity!

This is where you'll find original products!

We recommend purchasing exclusively from our authorized distributors, who obtain original products directly from Schaeffler and additionally offer expert advice and a full range of accompanying services.

It is of course entirely possible to obtain original parts from free traders. However, Schaeffler cannot make any kind of statement about where these parts come from, how many times they have already changed hands, or whether rolling bearings have been stored in compliance with the technical requirements during their lifecycle.

It's for your own safety!

All authorized Schaeffler distributors are listed on our website, so you can check whether your distributor is among them:
www.schaeffler.com → Sales → Sales Companies/
Authorized Distributors



What is Schaeffler doing to combat counterfeiting?

Schaeffler has had a centralized department for combating product and brand piracy since 2004. A lot has happened since then, and the Schaeffler Brand Protection Team has dealt with several thousand cases. Our company's strategy for tracking trademark infringements has been continuously refined based on the experience gathered here, including public relations and assertion of legal rights.

An example: New labels with data matrix codes that are unique to every product and can be consulted at www.tecidentify.com. Our objective here is to make it even easier for our customers to obtain original parts from safe and reliable sources.

“Importing our brand name products into the European economic region from outside the European economic region without our express authorization is a trademark infringement.”

Report any suspicion of counterfeiting to us at
piracy@schaeffler.com



The Schaeffler Brand Protection Team

Multidimensional ...

Is it really worth the risk?

Imagine that the counterfeit bearings you supplied have been installed in a hospital's emergency power supply system. Or in a truck carrying urgently needed cargo. Or what if they are installed in a train's wheel set or a ferry boat's rudder bearing support – to name just a few examples. Would you want to take that responsibility?



Consequences for the distributor

- ▶ Liability for all damage resulting from the sale of counterfeit products
- ▶ Lawsuits by the injured party
- ▶ No damages can be claimed from the original manufacturer
- ▶ Loss of image
- ▶ Loss of sales
- ▶ Damage that can even lead to financial ruin
- ▶ Criminal consequences that can even include prison sentences



Risks for the end customer

- ▶ Risks to personnel and machinery
- ▶ High subsequent costs
- ▶ Production stoppages
- ▶ Loss of image, as installing a counterfeit part reduces the quality of the company's own product
- ▶ Higher maintenance costs



Counterfeiting – a global problem

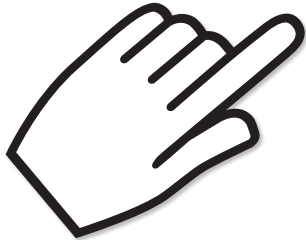
Globalization is the keyword when it comes to better competitive conditions and simplified purchasing. However, globalization has also made it much easier to produce and sell counterfeit goods. The counterfeiters' network covers the whole world.

This counterfeit bearing caused major damage to a water desalination plant in the Mediterranean region



Play it safe if you become suspicious!

piracy@schaeffler.com



Schaeffler Technologies GmbH & Co. KG

Industriestrasse 1–3
91074 Herzogenaurach
Germany
www.schaeffler.com

Every care has been taken to ensure the correctness of the information contained in this publication but no liability can be accepted for any errors or omissions.

© Schaeffler Technologies GmbH & Co. KG
Issued: 2014, November

This publication or parts thereof may not be reproduced without our permission.