

## Stealing our stuff

# Upping the ante in the counterfeit wars

Every day, in factories around the world, unscrupulous “entrepreneurs” are stealing our intellectual capital by knocking off electrical products and shipping them to various markets for sale. Not only is this dishonest, injuring those who produced the intellectual property in the first place, it puts public safety at risk. While any form of counterfeiting is unacceptable, the counterfeiting of electrical products has far greater implications for the public than a fake Gucci wristwatch.



**Randy Carson**  
*President, Eaton  
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Further, I am concerned about the harm counterfeiting can do to our industry—to the quality brand manufacturers who invest heavily to meet and exceed electrical safety standards in the design of their products; to those in the wholesale and retail distribution channel who lawfully promote the quality brand products; and to electrical contractors who are expected to install safe product in homes and buildings.

We know that seized counterfeit electrical products are typically substandard and unsafe. The risk to purchasers of counterfeit electrical products—whether they buy them knowingly or unwittingly—is high. Such products also unfairly tarnish the good names and marks of the manufacturers and testing labs illegally stamped on them.

The counterfeiting and piracy problem regrettably impacts a wide variety of NEMA member products: industrial automation software, motors, welding electrodes, lamps and lamp ballasts, circuit breakers, batteries, smoke alarms, receptacles, ground fault circuit interrupters, wire and cable, electrical cords, conduit and conduit fittings, and electrical

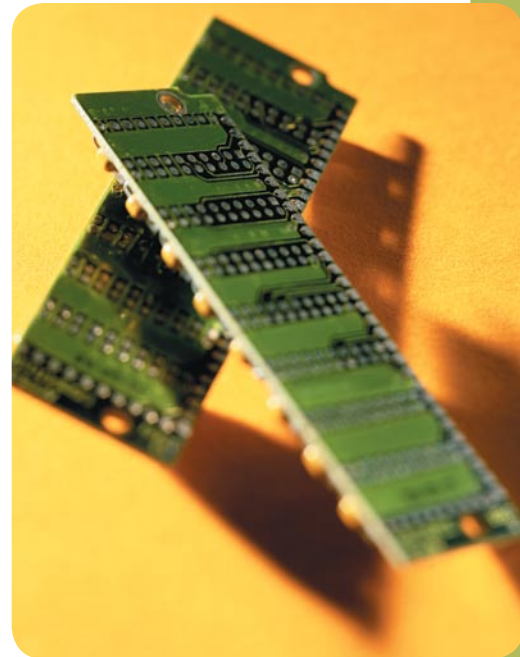
connectors, to name a few. And NEMA, its members, and our industry colleagues at Underwriters Laboratories, CSA International, Electro-Federation Canada, and ANCE, Mexico’s standards and certification agency for electrical products, have been working together to alert the government and the supply channel that counterfeiting and piracy is not just about luxury goods and consumer apparel. It’s about saving lives.

The battle against piracy and counterfeiting demands a collaborative solution among manufacturers, the supply channel, and government. Each has a role in protecting intellectual property rights and in preventing counterfeit product from entering the stream of commerce. Industry needs to partner with our government and foreign governments to crush the source of counterfeit product at its origin and block its distribution to other markets. The supply channel needs to take the lessons learned about pharmaceutical and electrical products that trade in the secondary market. Such trade opens the door for unsafe counterfeit product to infiltrate the legal supply channel, thus creating legal and commercial risks for distributors and installers that they were not anticipating.

We will build on the program that NEMA has already started—training U.S. Customs to tell the difference between genuine product and counterfeit product, and educating the supply channel and member companies about steps they can take to protect intellectual property and prevent unsafe counterfeit product from entering the marketplace.

We will develop communication tools to disseminate to the government, the supply channel, and the public that will inform them about the harm counterfeit electrical products can cause and the best practices they can adopt to prevent that harm.

We will document the scope of the problem. The U.S. Chamber of Commerce



is soliciting U.S. industry to support a study on the overall domestic impact of counterfeiting and piracy, including the loss of jobs and tax revenues. We will support that study so that our viewpoint will be reflected.

We will work to protect our export markets by taking our industry’s domestic training programs for law enforcement and the supply channel to Asia and Latin America.

Finally, we will support passage of the Intellectual Property Rights Enforcement Act to ensure continuing improvement in the way our federal, state, and local governments coordinate their intellectual property rights enforcement activities and improve coordination and intelligence among nations committed to combating counterfeiting.

Electrical fires take lives and destroy homes every day. We can help prevent them and protect our reputations at the same time by finding and penalizing those who steal our ideas and the fruits of our labor. **EI**



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