

## SUMMARY SHEET

Anney (Haute-Savoie, France), 10 June 2016

### NTN-SNR mobilized in the fight against forgery

NTN-SNR bearings are prone to copying or forgery. Increasingly sophisticated forgery techniques observed for several years make it virtually impossible for the untrained eye to distinguish non-genuine OEM parts. All sizes of non-genuine bearings are appearing, particularly on the industrial spare parts market, in countries where known cases were few and far between. The issues involved in the fight against forgery are crucial, the prime one being safety: that of aircraft, car or train passengers for instance, but also that of employees in a plant using non-genuine bearings that render machines less precise, unreliable and prone to failure at any time. One also needs to factor in the financial implications arising from such failures or breakages and the related issues of reputation. To combat this scourge, NTN-SNR is mobilizing and conducting a fight on several fronts, ranging from legal action and close collaboration with customs to raising awareness among customers and distributors, not forgetting technological innovation. NTN-SNR is also a member of the World Bearing Association, whose members include all the leading global manufacturers of bearings. It is particularly committed to this fight. Its measures are relayed in France by the Artema union, which represents mechatronics industrialists.

- **Customs and legal action at the heart of the plan**

NTN-SNR collaborates ever more closely with the customs services, more particularly in countries where cases of forgery are a known fact. To that end, among other things it offers customs officers awareness-raising and training programmes to help them better identify OEM bearings according to their packaging, packing methods and markings, as well as their official shipping documents for instance. NTN-SNR is currently working on a comprehensive practical guide for their attention to help them better determine the origin of products and detect different types of forgery and counterfeits. Furthermore, in all countries where it combats the counterfeiters, NTN-SNR works with local law firms. They can intervene very swiftly and instantly levy distrains and bring legal proceedings against identified offenders.

In 2015 a consignment containing a pallet of 125 counterfeit parts was seized in Italy thanks to the vigilance of the Customs, alerted among other things by the primary packaging, and the immediate legal action that ensued.

Stock controls can be carried out at final customers' or distributors if they agree, inter alia by the sales representatives, who play a crucial intelligence and detection role in the field.

Ultimately, final expert appraisal, which can confirm whether or not the suspect bearing is a forgery, is conducted in NTN-SNR's laboratories in Annecy.

- **Raising the awareness of distributors and end user**

NTN-SNR conducts awareness-raising and communication initiatives with its customers and distributors. Poster campaigns in the trade press have been run to inform customers of the dangers of counterfeiting, both as regards product safety and reliability, and regarding the legal and financial consequences of using counterfeit products. In countries worst affected by this phenomenon, NTN-SNR's correspondents and sales reps organize briefings with their partners, especially with official distributors. These sessions alert them but also give them the key to avoiding themselves being victims of forgery. It is also an opportunity for showcasing official sources and distribution channels.

- **Markings and technological**

## SOME FACTS ABOUT FORGERY

### KEY FIGURES

**3,500**

Number of industrial accidents per annum due to forged products

**4.5 billion euros**

Total economic damages due to forgery in industry every year

**200,000**

Number of jobs destroyed throughout the world every year because of counterfeiting, including nearly

**40,000** in France according to the OECD (April 2016)

### SANCTIONS INCURRED

#### For the counterfeiters

According to the nature of the offence

##### Civil sanctions

- Damages amounting to the loss suffered by the holder of the intellectual property right

##### Penal sanctions

- A fine of up to €400,000 for a natural person (multiplied by five for a legal entity)
- A prison sentence of up to 4 years
- Additional sanctions such as the shut down of the site, confiscation of the products...

#### For receivers of stolen goods and resellers

- Confiscation of the products
- Criminal proceedings provide for a 5-year prison sentence and a €375,000 fine

### advances

One of the main weapons for thwarting forgery is part marking on the one hand and markings on packing and reference listing coding systems on the other. Hologram type techniques can be used for the purpose. Errors committed on these codes by forgers often swiftly identify forgeries. NTN-SNR is currently studying the possibility of extending and adapting its TechScan'R technology, developed as a service for the car market, to recognize and certify the origin of products through a simple scan by smartphone.

- **In union there is strength**

NTN-SNR is a member of the World Bearing Association, whose members include all the leading global manufacturers of bearings. The WBA is at the cutting edge of the fight against fakes. It has run a great many awareness-raising and training campaigns in countries where there is a high risk of fake products being manufactured, and has helped them take legal action. It has also launched a high-profile campaign called "Stopfakebearing.com". Its measures are relayed in France by the Artema trade association, which represents mechatronics industrialists. All NTN-SNR's initiatives fit in with the strategy pursued by these organizations, in which it plays an active part.

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