



# WERMA report

SPECIAL EDITION PRODUCT PIRACY MAY 2007

## WERMA takes up the fight against product pirates!

Together with the consumer goods industry the mechanical engineering and plant construction sectors that are most severely affected by product and brand piracy: whether it is car and aeroplane parts, medicines, food, textiles or signal devices - nothing is safe from the counterfeiters.

### TRADE FAIRS - A POPULAR ARENA FOR PIRATES

Increasingly, product pirates from around the world are making appearances at trade fairs, entering into direct competition with the manufacturers of the original products. WERMA was also confronted with copies of its signal beacons at this year's Hanover trade fair. During the preparatory stages, before the fair opened, it came to light that the Chinese company was planning to actively market counterfeit signal devices under the brand name "Tayee".

WERMA immediately went on the offensive and with the assistance of a lawyer specialising in product piracy obtained an injunction from a court of law. This was then successfully enforced at the trade fair by a bailiff. The product counterfeiter was forced to remove the signal devices displayed on his stand, take down the posters and destroy the corresponding brochures. A small victory in the fight against the brazen pirates!

### THE INJUNCTION - SCOPE AND EFFECT

As a result of the injunction the Chinese company is prohibited from offering signal beacons identical to the signal towers from the WERMA product ranges „KombiSIGN“ and „Kompakt“ within the territory of the Federal Republic of Germany.

Should the company nevertheless start tendering or exporting the said signal devices to Germany, WERMA is authorised to take legal action against this repeat violation.

The injunction comes into immediate effect immediately and is not subject to any time restrictions. Furthermore, this ruling can serve as a legal precedent in Europe, the USA and other countries worldwide.



The comparison: products from WERMA (left) and the Chinese company (right)

By "copying" innovative solutions or designs from original manufacturers product pirates succeed in saving on costly investment in research and development. As a consequence their products are significantly cheaper. Product pirates also profit from the manufacturer's brand image. WERMA is also currently faced with such brazen product pirates!

## Figures, dates, facts

- 10% of world trade is with fakes and imitations
- 2/3 of German companies from the investment goods industry are affected by product and brand piracy
- Estimated annual worldwide economic losses: 200-300 billion Euro (Germany: 29 billion Euro)
- Jobs lost annually worldwide: 200,000 (Germany: 70,000)
- Dramatic increases in seizures by customs as well as an increase in unjustified product liability claims against the original manufacturers

## SECURING INDUSTRIAL PROPERTY RIGHTS

In order to bring innovative products onto the market companies invest a great deal of time, energy and money in research and development. For this reason every manufacturer should register their industrial property rights for new inventions and products, i.e. apply for them in good time for publication.

Only when the patent, design patent and utility rights, the plant varieties or trademark protection rights have been secured for the original products is it possible to take civil and criminal proceedings against counterfeiters.

WERMA secured the patent rights - and therefore the product and intellectual property rights - to their signal tower series "KombiSIGN" and "Kompakt". It is thanks to these farsighted measures that WERMA was able to obtain an injunction against the product pirates and put a stop to their activities in Germany.



WERMA is in possession of the patents for the signal tower series "KombiSIGN" and "Kompakt" and was therefore able to take successful action against the Chinese company.

## PROTECTION FOR THE END CUSTOMER - WERMA PRODUCTS KEEP WHAT THEY PROMISE

WERMA would like to sensitise every end customer to the fact that the purchase of an original product is in their own interests. The reproductions from the Chinese manufacturer cannot compete with WERMA signal devices either in terms of safety, quality or longevity.

Furthermore, every company should be aware that the purchase or resale of a counterfeit or imitation product supports an illegal act. It is important for every one of our customers to protect themselves from product fakes. However the fake and the original can barely be told apart the Chinese signal devices are almost identical to the WERMA originals, especially in their outward appearance.

The best form of protection is therefore the direct purchase from WERMA or one of our official agents worldwide. Build on WERMA's high quality products and comprehensive range of services. This is the only way to prevent the purchase of fake WERMA signal devices.



**PUBLISHER:** WERMA Signaltechnik GmbH + Co. KG

**EDITING + LAYOUT:** Susanne Messner

**WERMA SIGNALTECHNIK GMBH + CO. KG**

D-78604 Rietheim-Weilheim

Fon +49 (0) 74 24 95 57-0

Fax +49 (0) 74 24 95 57-44

[www.werma.com](http://www.werma.com)

[info@werma.com](mailto:info@werma.com)

## Definition of product piracy

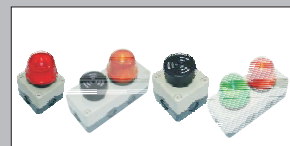
"Product piracy" refers to the illegal copying and reproduction of goods for which the lawful manufacturer possesses invention, design or process rights, i.e. is the patent holder or originator.

The term "brand piracy" in contrast, refers to the illegal use of symbols, logos, names and commercial terms which the manufacturer uses to brand their goods.

In both cases, the brand and product pirates illegally adopt technical knowledge which a company has acquired through many years of hard work and the deployment of enormous financial resources, used to develop their products. The pirates utilise the high profile of a brand, won as a result of the manufacturer's high quality products, in order to deceive the consumer as to the actual quality and origin of the goods.

A variety of different terms are used in the literature and in everyday language to refer to illegally manufactured products, e.g. plagiarism, copy, imitation, fake.

## Original and fake - deceptively similar!



The original products from WERMA (left) and the brazen copies (right) look deceptively similar.

Further information can be found under [www.werma.com](http://www.werma.com)