

COUNTERFEIT

PRESENTATION

February 2017



● ● ● With You

NTN CORPORATION



71 WORLDWIDE PRODUCTION SITES

108 SALES OFFICES WORLDWIDE

23,360 EMPLOYEES IN THE WORLD

5,5 Billions USD TURNOVER



MARKET SITUATION

Automotive products are counterfeited at a large scale.

All products are targeted items, but especially:

- Large quantities
- Standardized
- Easy to copy



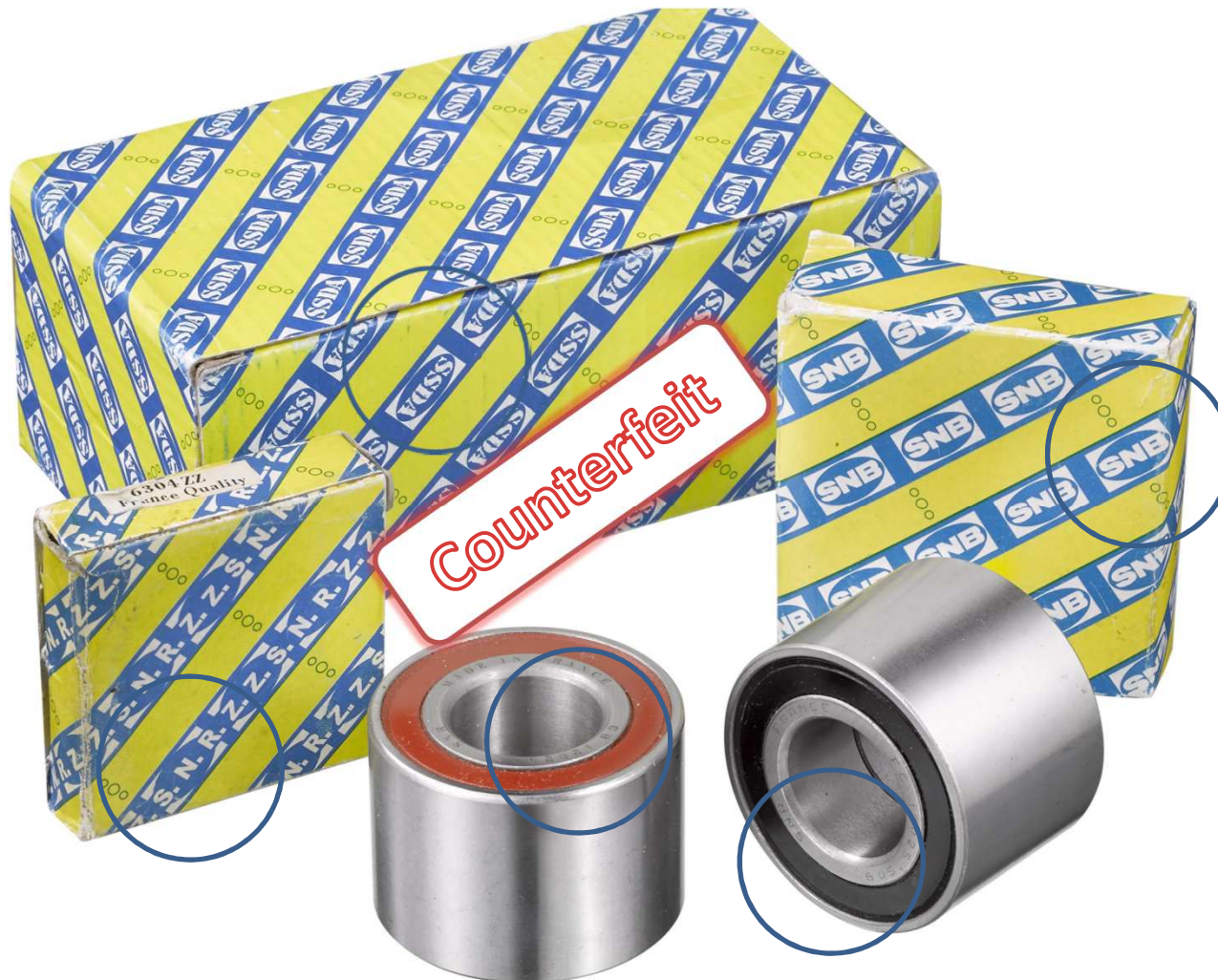
It is agreed that counterfeit products could represent in average 5% to 10% of the market. Percentage may varies a lot according to the products and the countries.

All products are concerned:

Original Equipment brands
part manufacturer brands

WHEEL BEARING MARKET

Automotive bearings do not escape counterfeiting despite its high technicity and low quantities.



Counterfeit samples

Counterfeit

1/ PACKAGING AND PRODUCTS



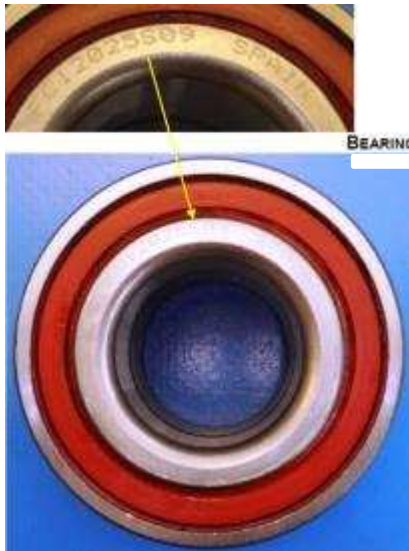
No sticker



Wrong item number



Fake hologram



Wrong item number
 No plant in Spain



Wrong technology

Counterfeit samples

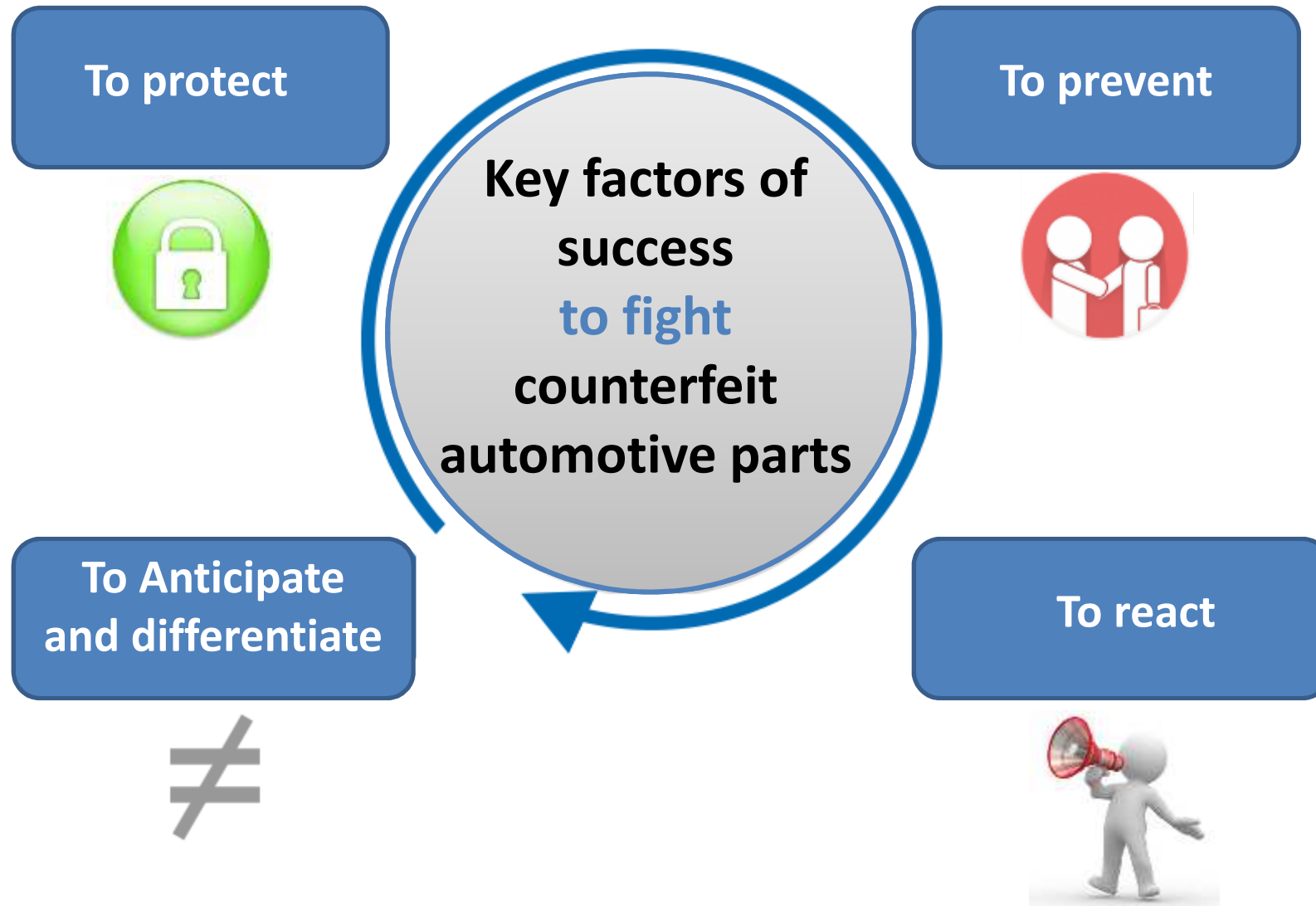
2/ Tests results:



	Genuine bearing	Counterfeit bearing	Difference
Weight/ Mass :	0,361 kg	0,303 kg	- 15%
Composition :	2 x 18 tapered rollers	2 x 13 balls	Completely different
Capacity: (static / dynamic load)	79 000 N / 62 000 N	21 000 N / 17 500 N	-70%
Duration life :	> 300 000 km	< 20 000 km	> 90%



STRATEGY



STRATEGY

1/ TO ANTICIPATE

11/ Innovation:

Continuous innovation is not only the best way to stay a leader. It is also the best way to limit copies and counterfeits.

12/ Product modifications:

Product standardisation help to reduce costs, but make products more attractive for counterfeiters. We can reduce counterfeits thanks to design modifications and product differentiation.



2/ TO PROTECT

21/ intellectual property:

Patents, brands, designs are the common tools to protect our business

STRATEGY

3/ TO PREVENT

31/ Through communication:

Worldwide professional organisation campaign

WBA

Worldwide Bearing Association



National Anti counterfeit association

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STRATEGY

3/ TO PREVENT

31/ Through communication:

campaigns with part manufacturer Association

- Avertissements in local media and local magazines
- Organization of conferences
- Participation in fairs
- Organization of workshop trainings and forums
- Distribution of documentation and goodies



STRATEGY

3/ TO PREVENT

31/ Through communication:

Press Campaigns

Does it worth the risk?

- To endanger people lives



STRATEGY

3/ TO PREVENT

32/ Through training:

Customs

Training are organized by part manufacturers or associations to raise awareness about counterfeit products,

Explanations and examples are given to help to recognize them.



STRATEGY

3/ TO PREVENT

32/ Through Training:

Distributors

Does it worth the risk?

- To endanger people lives
- To endanger your business
 - image
 - illegal practices may lead to jail and fines.
 - expensive liabilities in case of breakage or accidents (not covered by insurances)



STRATEGY

3/ TO PREVENT

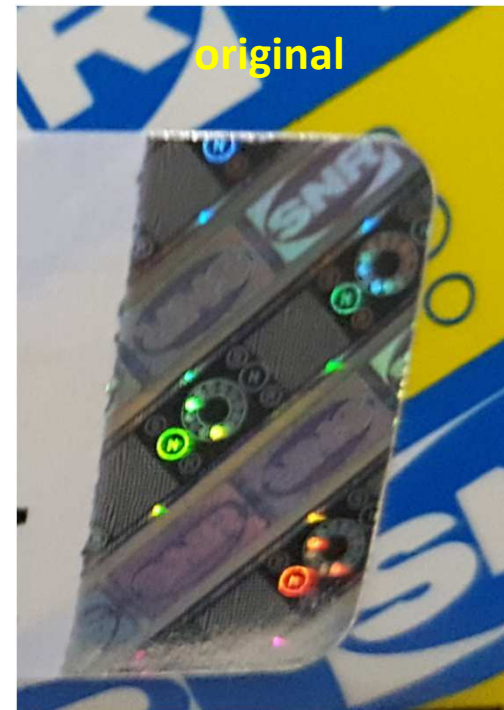
33/ Multi signatures for the best protection and easy identification of originals:

Packaging

- Holograms.
- Packaging specificities
- Sticker specificities



Product



Each product has its own manufacturing and marking signature due to specific processes.
It is impossible to copy.

STRATEGY

4/ TO REACT

41/ OR NOT! Self regulation:

To fight against counterfeit manufacturers is endless and expensive.

We must focus to be efficient.



Small counterfeiters :

The product quality is low
and even at low price, it is not a good deal

They are our best argument against counterfeiting.



STRATEGY

4/ TO REACT

41/ Legal Actions

Legal action is taken against the distributor or the importer.
The merchandise is blocked at the warehouse and at the customs.

- Significant losses for the company
- Personal life of the owner and managers can be turned upside down.



42/ Raids:

Raids can be made in the country
of the manufacturers of counterfeits



Counterfeit in Iran

MARKET SITUATION

Lack of Premium products during few years

-> Copies and counterfeit products invaded the market.

-> NTN-SNR made no actions against counterfeit in Iran during the past few years



PART MANUFACTURERS:

HOW TO FIGHT COUNTERFEITING?

-> To supply more Premium products in the market.

2017

-> To analyze the situation afterward and to decide what efficient actions need to be done.

Communication (Press, association, customers)

Training (Distributors, Customs)

Legal actions

Counterfeit in Iran

AUTHORITIES

HOW TO FIGHT COUNTERFEITING?

Law already exist in Iran to protect Patents, Industrial Designs, and Trademarks. (Registration act 2008)

Procedures exist for Trademarks owners to prevent unauthorized similar or confusing Trademarks.

Both criminal and civil proceedings are possible, resulting of potential fines, imprisonment, & damages

-> Improvements are often possible in those fields:

- To stop the products to enter the country -> training / procedure of audits
- Procedures against counterfeiters -> Simple and quick
- Products confiscation and destruction -> 100%.

Manufacturers and Professional organizations can share their experience with authorities if they feel there are areas for improvement.



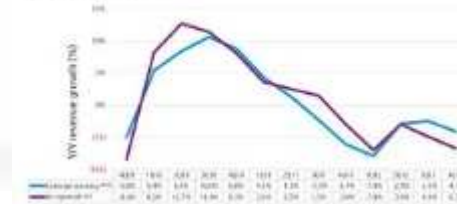
Counterfeit

TOO MANY VICTIMS !

Cost of innovation



Revenue growth



MANUFACTURERS

Loss of revenue



CUSTOMERS

STOP!
COUNTERFEIT



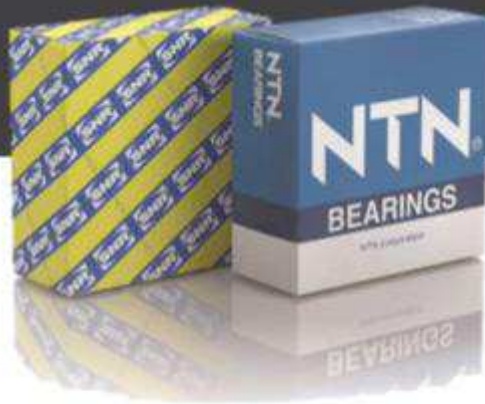
AUTHORITIES

Why risk your SAFETY?



CONSUMMERS

THANK YOU for your
ATTENTION



NTN- SNR