

We are 100% confident that the issue of counterfeit products will soon be solved and that counterfeiters will stop producing belts under Gates logo. After all, Gates has 80 years of experience, both on an international and a national level with a long-term strategy and a future-oriented vision, unlike illegal manufacturers of counterfeit products.

**Be smart. Don't get involved in counterfeit goods. You can't afford losing loyal customers – or the time and money to fight costly litigation.**

**STOP**

The Gates Corporation strongly recommends to buy Gates products from authorised distributors only. For more information, check out on [www.gates.com](http://www.gates.com).



## Take action: report counterfeit products

**It is important to contact the legitimate manufacturer for the product you suspect may be counterfeit. You might get advice on markings and anti-theft device that would distinguish a genuine product from a fake one. In addition, your information will assist the manufacturer in any investigations or legal proceedings and will protect you from lawsuits or potential criminal charges.**

**If you have any information on Gates counterfeit products, do not hesitate to contact Gates. Confidentiality is guaranteed.**

Your distributor:



The manufacturers reserve the right to amend details if necessary.

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# Watch out what you buy!

**Gates warns for  
counterfeit products**



A Tomkins Company

The automotive parts industry is more and more often faced with fake, counterfeited vehicle components. Gates, as a leading manufacturer in belt drive systems, is taking all possible steps to prevent or stop selling of counterfeited belts under its logo. But it is vital that all segments of the industry get involved. Suppliers, distributors, retailers, installers all have a role in maintaining the integrity of the supply and distribution chain as well as ensuring consumer safety.

From a global perspective, the impact of counterfeiting on world trade is estimated between \$350 billion and \$500 billion a year. Currently five to eight percent of all goods sold worldwide are counterfeit.

While the appearance of counterfeit parts has dramatically improved over the years, their quality, in many cases, hasn't. The physical dangers and risks involved in using or installing counterfeit parts can be potentially the most costly damages of all. Counterfeit automotive products are a consumer safety problem, with the potential to injure car drivers and their passengers as well as automotive technicians.

Counterfeiting is clearly a serious issue. You may not be able to stop fake products from being made, but you can prevent them from making it into parts distribution inventories, or onto cars or trucks. There are a number of helpful, simple and logical questions to ask before buying or installing a part.

**STOP** Counterfeiting costs the global automotive parts industry \$12 billion a year. (US Federal Trade Commission, 1997)

### 1. Know your distributor

Where are your products being distributed from – a legitimate, reputable authorised warehouse distributor or jobber, or a guy off the back of a truck? Is the supplier new to you? If you suspect a product is knock-off, a quick trip to the Gates web site [www.gates.com](http://www.gates.com) can tell you if the distributor is authorised.

### 2. Money talks

As the old adage goes, if it seems too good to be true, it probably is. Are you being offered a product at only 30% of the price you would normally pay? This should tip you off that it may be a counterfeit product that has not been manufactured to proper specification or stolen grey market goods that are not manufacturer or distributor supported.

### 3. Watch the details

It is not easy to spot a fake. That is because the really good counterfeit parts makers work long and hard to fool consumers. Here are several tips to help you tell a phony from the genuine article:



■ If you are not installing the part yourself, ask the person who is if you can see the part and package, or contact the nearest Gates representative. Never buy a product if you have any doubt about the quality, the look or even the smell of it.

■ Inspect the packaging. If it appears flimsy, lacks the name brand or logo, or has graphics or a name that is similar to, but not quite the same as those you are used to seeing, it could be counterfeit. Minor markings on a product can be telltale differentiators between a real and a fake part. Counterfeiters often use colours, artwork and type fonts on their packaging that are similar to the original.

■ Don't buy any product that is not properly packed. It might be broken already! Gates transport belts packed individually in boxes in order to avoid any damage during transport.

### 4. The best advice: buy Gates kits, not loose belts!

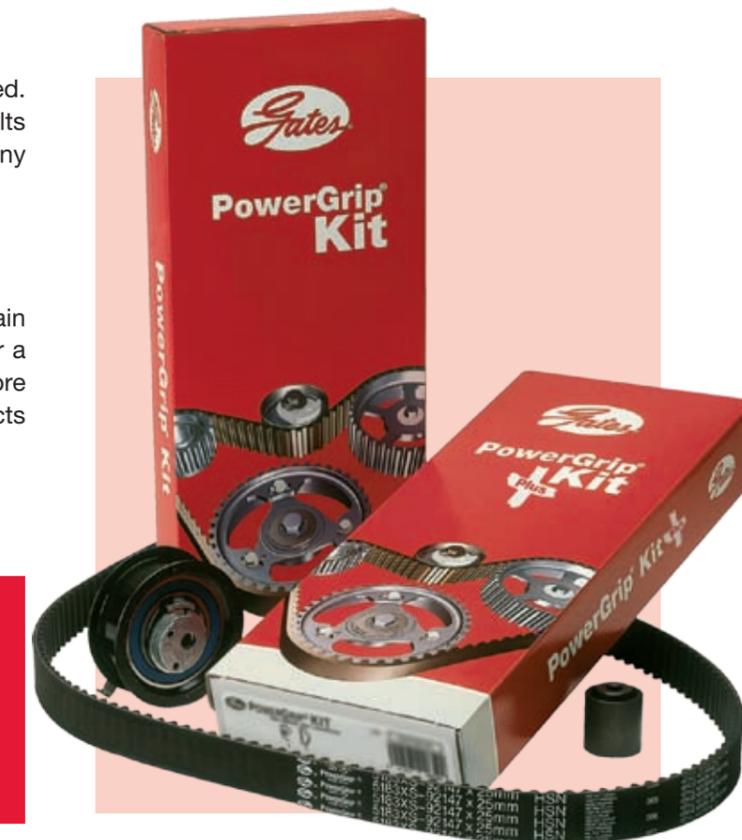
Gates PowerGrip® and Micro-V® XF kits contain the belt(s) and all metal components needed for a complete overhaul. They are therefore much more difficult to fake, and it is easier to see if the products are not original.

**STOP** In a known example of counterfeit car components, a family was killed in a vehicle fire caused by counterfeit brake pads lined with dried grass.

### Beware! You ARE at risk!

Growing trade in pirated and counterfeit products threatens innovation, the economy, the competitiveness of manufacturers and the livelihoods of their workers – not to mention the safety risk it presents to consumers who rely on safe vehicles to enjoy their freedom of mobility. But you too are at risk.

Suppliers, distributors, retailers and automotive technicians all have a role in maintaining the integrity of the supply and distribution chain and ensuring consumer safety. There are significant civil and criminal penalties you can face as a service provider, retailer, wholesaler or distributor for trafficking counterfeit parts. The European Commission has recently proposed to apply four years imprisonment and fines of at least EUR 100,000 to 300,000 for cases jeopardising public health and safety. Additionally, as an industry, we cannot compromise consumers' trust when they decide where to take their vehicle for service. After all, the consumers too might decide to litigate against you, or – at least – you will lose them as a customer if you break their trust.



**STOP** Resellers of counterfeit products may be held liable for counterfeiting if they had knowledge or had reason to know that the products were counterfeit. Knowledge can be demonstrated by, for example, quality, price and manner of distribution of the products.

Gates is taking all necessary steps to stop these illegal practices. In some countries Gates has brought several persons to court already, who were condemned to pay significant penalties. Bigger black market dealers were even imprisoned. Both customs and the police – on an international as well as a national level – have received clear instructions on how to react against counterfeit. Gates is taking global measures to protect its brand and we are successful, but this is only the beginning. We have created a global database and we are monitoring the situation on a worldwide basis.