

WHEN IN DOUBT... CHECK IT OUT!

ISC's Allen Westerfield urges dealers, distributors and consumers to submit questionable imaging supplies for analysis

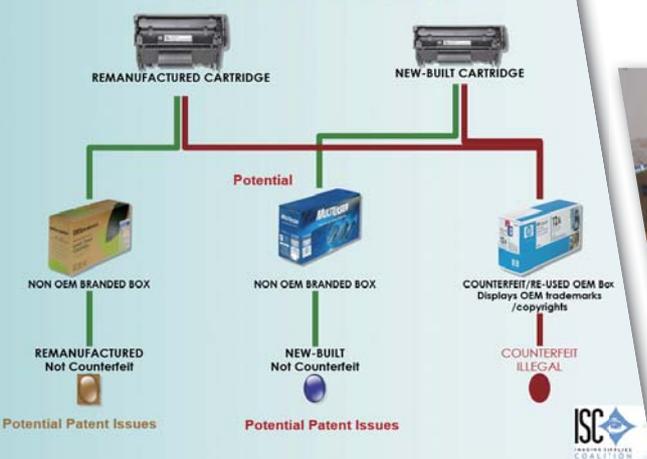
David Gibbons

Since the Imaging Supplies Coalition (ISC) launched its innovative product authentication program in 1998, hundreds of thousands of counterfeit imaging supplies, valued in the millions of dollars, have been removed from commerce.

Previously, original equipment manufacturers (OEMs) of consumable imaging supplies (ribbons, toner, inks, cartridges, etc.) and equipment joined together to form the ISC as a non-profit trade association. Its charter was to protect their respective customers from illegal activities in the imaging supplies industry. Coalition members include Brother International Corporation, Canon U.S.A., Inc., Epson America Inc., HP, Lexmark International, Inc., and Xerox Corporation.

"ISC's product authentication program, WIDCIO (When In Doubt, Check It Out) is one of the longest tenured and robust anti-counterfeiting programs currently available," says ISC President Allen Westerfield. "Several large distributors have faced legal challenges and had to destroy large inventories after unwittingly purchasing and reselling counterfeits." Westerfield explains WIDCIO was established in 1998 to assist legitimate distributors and retailers of printer supplies avoid purchasing counterfeit goods (commonly called "fakes", "knock-offs" or "rip-offs"). At the time, purchasing managers were unfamiliar with the risks of counterfeits. Some were large imaging supplies distributors.

What is Counterfeit?



Lexmark has been proactive in hunting down counterfeit products across the globe, including this recent raid in Brazil.



Both remanufactured and new-built cartridges are used by counterfeiters, or have the potential to infringe OEM patents.

The spread of counterfeit goods has become a global problem that continues to increase significantly. According to a study by the Counterfeiting Intelligence Bureau (CIB) of the International Chamber of Commerce (ICC), counterfeit goods make up to seven percent of world trade. These figures, however, cannot be substantiated due to the secretive nature of the industry. For the same reason, it is difficult to develop an exact number for the size of the counterfeiting problem related to printing supplies. However, based on previous analysis and studies, the ISC estimates the world wide imaging consumables loss to counterfeiting is approximately five percent of total revenue or between US\$3 and US\$4 billion.

Eric Holder, the 82nd Attorney General of the United States from 2009 to 2015, says: “intellectual property (IP) crimes are not victimless. The theft of ideas and the sale of counterfeit goods threaten economic opportunities and financial stability, suppress innovation and destroy

jobs.” Counterfeit products are often produced in violation of basic human rights, and support terrorist groups, drug cartels, people traffickers and street gangs.

In its 24-year history, the ISC has consistently combated counterfeiting and fraud and has established itself as an international force in the imaging industry as well as a leading organization in intellectual

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property protection. Westerfield is obviously delighted with the results of the WIDCIO program which has found more than eight percent of all products submitted to the ISC found to be counterfeit. “We receive suspicious products and details from angry dealers, distributors and consumers who

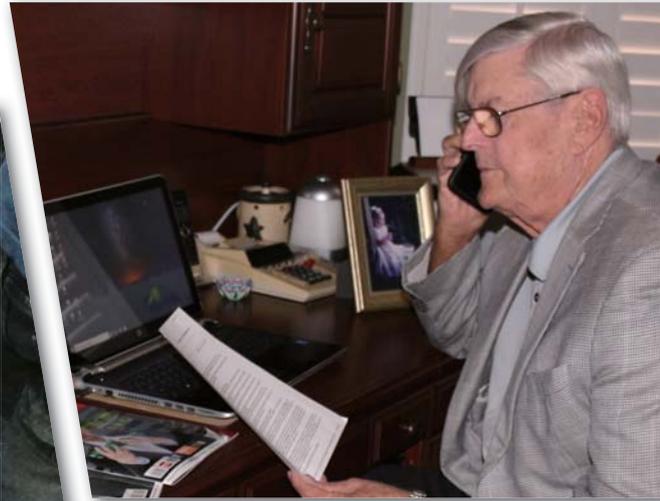
have all had one thing in common—a bad experience. They have purchased, and used counterfeits instead of what were expected to be genuine, new OEM products in their printers.”

From engineering a unique, highly efficient product authentication program and publishing hundreds of articles on counterfeit-related topics to working with U.S. Customs Strategic Advisory Council, the ISC continues to generate unprecedented results in combating industry fraud.

A newer issue facing the imaging supplies industry is the growing importation of newly manufactured compatible (“new-builds”) and clone cartridges. While these products may not violate copyright or trademark

law, some of them infringe the OEM patents as determined by United States International Trade Commission (ITC). Consequently, the ITC has issued General Exclusion Orders (GEOs) to prohibit the importation of clone or compatible cartridges that have been found to infringe

Counterfeiters throughout the world try to sell counterfeit print cartridges in unauthorized or fake packaging hoping to mislead consumers they are buying genuine HP products.



Two successful, intelligence-led raids on printer consumable dealers in Turkey in September 2017 seized 98,000 pieces of counterfeit Xerox products, packaging and holograms worth approximately €2 million (US\$2.47 million).

Allen Westerfield has been serving as President of the Imaging Supplies Coalition since November 2006 having previously worked at Lexmark International.

OEM patents. In some instances, a GEO can also exclude remanufactured cartridges and empty cartridges that violate patent or trademark laws. Resellers who import products prohibited by a GEO can be subject to penalties, including inventory seizures and fines. Resellers have a duty to familiarize themselves with the provisions of these GEOs.

Empty cores from new-build compatibles, sold as genuine empty cartridges have also found their way into collection programs. "The ISC and its OEM members now see a need to expand WIDCIO to help legitimate remanufacturers avoid liability for patent-infringing sales through unwitting purchases of patent-infringing empty toner and ink cartridges," says Westerfield. He says the WIDCIO program is a valuable source of information for legitimate remanufacturers wishing to compete fairly.

There is also a need to expand the WIDCIO program to meet the challenges of falsely described imaging supplies through internet-based distribution. Wholesale distributors and retailers are

facing stiff competition from those who can purchase infringing printer supplies from questionable sources and distribute to US resellers through international trade sites without risking a presence in the U.S. "These foreign entities sell products using false and misleading descriptions," Westerfield says. "The ISC and its members see a need to stop this illegal activity and decided to extend the WIDCIO program to battle illegal sellers on this new front." Some internet marketplaces, like Amazon, have recognized this problem and have implemented listing standards to assure imaging supplies are sold fairly without misleading descriptions. According to Westerfield, the expansion of WIDCIO will now enable resellers and customers to ascertain the legality of more products in their efforts to curtail deceptive and misleading offers on internet marketplaces.

How Does WIDCIO Work?

Many resellers are victims of transactions that turn out to be "too good to be true." They were offered products that were described as inventory

liquidations, manufacturer's overruns or diverted from other global locations. With a wry smile, Westerfield adds, "If the deal looks too good to be true... it probably is."

The ISC has reshaped WIDCIO to be more accessible to wholesalers, retailers and consumers of ribbons, inkjet cartridges, laser cartridges, toners and developers. Any suspicious products can now be submitted to the ISC's updated program for authentication. Westerfield maintains the identity of each participant will always remain confidential and will not be revealed to the respective OEM.

The ISC will now authenticate the following:

1. product thought to be counterfeit, that is presented as a new OEM branded product;
2. new-build, compatible, or "clone" products thought to be in violation of a limited or general exclusion order;
3. a. elimination of unfair competition by reporting supplies that are falsely advertised or misrepresented in any way.

GENUINE OR INFRINGING?



Want to Know?

Use our WIDCIO (When In Doubt Check It Out) program.

The ISC is dedicated to combating infringing & fraud in the imaging supplies industry. Please help us by reporting products which you suspect are infringing. Learn about our WIDCIO (When in Doubt Check It Out) program at www.isc-inc.org

PARTICIPATING PARTNERS



ISC
IMAGING SUPPLIES
COALITION



The Queen of England took a stand on the sale of fake products in 2013 when she supported new laws that would see those trading in counterfeits jailed for 10 years in Britain.

- b. the ISC urges that all listings comply with the BSA guideline on naming of ink and toner cartridges. See http://c.ymcdn.com/sites/businesssolutionsassociation.com/resource/resmgr/docs/Print_Cartridge_10-14.pdf

There are three ways to submit product(s) for authentication:

1. physical product submission:
 - a. mail the product along with your contact information to:

Imaging Supplies Coalition
MBN 249
Venice Ave., #104
Venice Fl. 34292
 - b. the submitted product will be logged in and assigned a control number;
 - c. the product is sent to the OEM for analysis and is not available for return. The results of the tests are reported back to the ISC, and, in turn, shared with the submitter;
 - d. if the product is genuine, the transaction with the ISC is concluded. If the product is determined to be counterfeit, however, the submitter, under program rules, is required to divulge the purchase information of the

products submitted to the ISC. This information will be sent to the OEM for action.

2. digital photo submission:
 - a. email the digital photos of the suspicious product to: iscwebcontact@aol.com
 - b. all photos must be clear, sharp images and include all sides of the package. The serial number, security label and barcode must be legible.

In some cases, the OEM may require the physical product to make a determination.
3. written allegation submission:
 - a. when reporting a suspected violation please provide as much of the following information as possible:
 - i. name and contact information.
 - ii. brand and products involved.
 - iii. an explanation of why you believe that this may be an infringing product.
 - iv. alleged violator's identity and address information including website and email address.
 - v. background information of how you came to be aware of the product.

vi. description of any internet involvement.

- b. such allegations will be investigated at the discretion of the OEM. Often the information will be used in conjunction with that from other sources for a comprehensive approach. The allegation will be responded to at the discretion of the OEM.

Westerfield is now busy preparing for his bi-annual ISC conference that will be held this year at Planet Hollywood in Las Vegas, USA on September 12 to 14. "All are welcome," Westerfield adds cheerfully. "We will deal with the issue of counterfeit and other infringement issues at the conference. There will also be case studies and presentations on current developments related to technology and IP law and non-OEM industry participants are welcome." ■

To learn more information about ISC or the conference, you may contact Allen Westerfield at [<isc.westerfield@gmail.com>](mailto:isc.westerfield@gmail.com) or visit <http://www.isc-inc.org/>.