



# Cummins Anti-Counterfeit Newsletter

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**Report counterfeiters, start with me!**  
**For your own safety, please do not face the counterfeiters directly.**  
**Please report in the following ways:**

Cummins China Anti-counterfeiting  
Report Hotline:  
 **400-810-5252**  
Cummins China Anti-counterfeiting  
Report Email:  
 [customersupport@cummins.com](mailto:customersupport@cummins.com)

## Special Report

### Fight against Counterfeits in Guangzhou with Combined Heavy Fists

*Preface: Guangzhou automobile accessory markets and engineering machinery markets are known as the distributing centers of automobile accessories in South China. Its developed sales network covers the whole Pearl River Delta and extends to big provinces and cities of South China. In the automobile accessory markets and engineering machinery markets, there are a large number of distributors of counterfeit Cummins products. Using the important strategic position of Guangzhou, they sell numerous counterfeit Cummins engine fittings to the surrounding Pearl River Delta and South China, which seriously disturbs the market. In order to normalize Cummins markets in South China and maintain the legitimate interests and brand image of Cummins, from July to September of 2013, combining with related law-enforcing departments of Guangzhou, Cummins Market Defence Team hit heavy blows to bring in a right protection hurricane in Guangzhou market.*

### Occupy Another City through Store Signboards Removal

The market clearing action fighting against stores signboards which illegally use Cummins trademark/name is always the key of the fight against counterfeit Cummins products in 2013. After the great victory in the first trial stores signboards clearing action in Xi'an market, Cummins Anti-Counterfeit Committee kept on the fight without letup, occupying another city from the engineering machinery markets and automobile accessory markets of Guangzhou and making great achievements!

In this store signboards removal action, Cummins required the infringement-involved merchants to eliminate "Cummins®", "HOLSET®" and "Fleetguard®" from the publicity words on store signboards, logo boards, light boxes and windows within limited time. Ultimately, 67 store signboards involving infringement were successfully removed, covering 5 administrative regions of Guangzhou and 8 large-scale automobile accessory markets and engineering machinery markets which included Huangpu Engineering Machinery City, Yuangang Automobile Accessory City, Longdong Automobile Accessory City, Xinguangcong Automobile Accessory City and etc.

The large-scale infringement-involved store signboards removal action frightened infringement-involved merchants and caused intensive response in Guangzhou automobile accessory markets and engineering machinery markets, which not only enhanced the confidence of authorized Cummins distributors and protected the interests of consumers but also further guarded the brand image of Cummins. The market clearing work aiming at fighting against counterfeit signs will be successively carried out in other cities.



The comparison between before and after of doorplates processing of the infringement merchants in Guangzhou Huadu International Construction Machinery Market.

1.1 shows the doorplates before processing in April 2013. The infringement merchants used "Cummins", "CUMMINS". 1.2 shows the doorplates after processing in July 2013.



The comparison between before and after of doorplates processing of the infringement merchants in Guangzhou Xingguangcong Auto Parts Market.

2.1 shows the doorplates before processing in April 2013. The infringement merchants used "Cummins", "CUMMINS", "HOLSET", "Fleetguard".



The comparison before and after of doorplates processing of the infringement merchants in Guangzhou Longdong Auto Parts Market.

3.1 shows the doorplates before processing in April 2013. The infringement merchants used "Cummins", "DCEC", "C". 3.2 shows the doorplates after processing in July 2013.



The comparison before and after of doorplates processing of the infringement merchants in Guangzhou Longdong Auto Parts Market.

4.1 shows the doorplates before processing in April 2013. The infringement merchants used "Cummins", "DCEC", "C". 4.2 shows the doorplates after processing in July 2013.



The comparison before and after of doorplates processing of the infringement merchants in Guangzhou Longdong Auto Parts Market.

5.1 shows the doorplates before processing in April 2013. The infringement merchants used "Cummins", "C". 5.2 shows the doorplates after processing in July 2013.

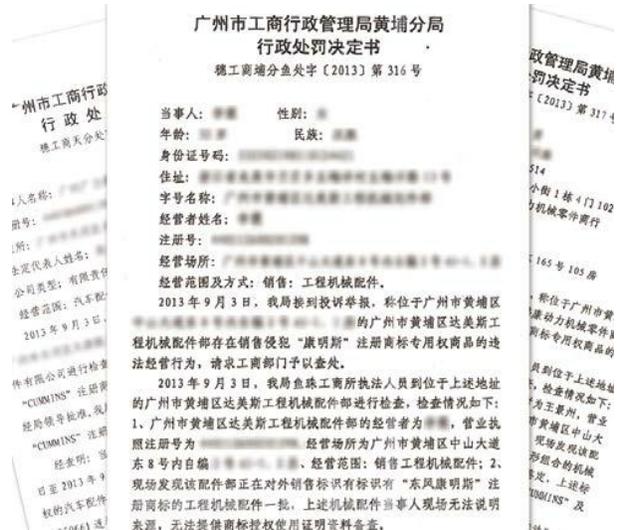
## Great achievements are made by entering into shops to inspect and detain counterfeit products.

After successful infringement-involved store signs removal action, allying with such local law-enforcement organizations as administrations of industry and commerce of Guangzhou, Cummins Parts Defence Team went on with forceful fight against counterfeit products to give the infringement-involved merchants administrative strike, which rang alarm bell for the lawbreakers for another time.

In September, 2013, although the high pressure of the Cummins' infringement-involved store signboards removal action, there were still a few illegal merchants who desperately went on with selling counterfeit Cummins products in order to gain high profit. Therefore, allying with the law-enforcing departments of administrations of industry and commerce of Tianhe District and Huangpu District, Cummins Parts Defence Team suddenly inspected 8 infringement-involved merchants and legally detained 77 boxes of counterfeit Cummins parts (about 1300 in total) valued about 825 thousand Yuan (referring to the market price of Cummins parts).

Soon afterwards, relevant administrations of industry and commerce placed the case on file, issued penalty decision notices to infringement-involved merchants, ordered relevant parties to immediately stop selling products infringing the exclusive right to use registered trademark "Cummins®" and selling products counterfeiting the factory name and address of the Company, confiscated and destroyed detained infringing products, and imposed penalty of tens of thousands Yuan on the infringement-involved merchants.

The Company's combined heavy blow of fighting against counterfeit products in Guangzhou markets shows the resolute attitude toward fighting against infringement and determination of the Company for managing disordered market. In the future, Cummins will normalize such fight against counterfeit products in markets.



6.1 shows the doorplates before processing in April 2013. The infringement merchants used “Cummins”, “”.

6.2 shows the doorplates after processing in July 2013.



6.3 shows the law enforcement is checking in the target stores.

6.4 shows the law enforcement is counting the products seized.

## Holset Brand (both in Chinese and English) Rated as the Famous Trademarks of Jiangsu Province

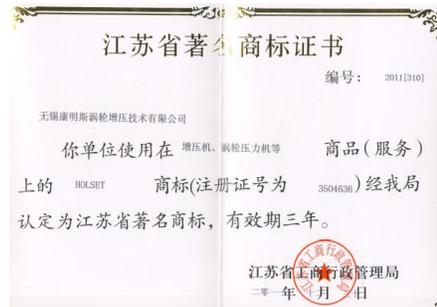
After being rated as the famous trademark of Wuxi city in 2011, we made application for rating “霍尔塞特” and Holset as the famous trademarks of Jiangsu province and has eventually made it.

Holset brand is a long-standing and long-established brand and has achieved high levels of recognition and reputation. Upon seeing this trademark, the consumers are all impressed with the first-class standards and world-class quality represented by the trademark. In order to further improve the official recognition of Holset trademark, obtain greater protection from the government and strike down the counterfeit products that infringe our trademark interests, Wuxi Cummins Turbo Technologies Co., Ltd. initiated the application for rating Hoslet brand as city-level and provincial famous brand in 2010, and happily made the complete success in three years.

The rating of 霍尔塞特 and Holset as famous brands greatly increased the intangible value of the company, by adding another glory to Wuxi city and Jiangsu province (judged by the limited number of the provincial famous brands), earned the rewards and recognition from the local government.



The certificate rating “霍尔塞特” as a famous brand of Jiangsu province



The certificate rating “Hoslet” as a famous brand of Jiangsu province



## Report on Fight against Counterfeit Holset Products

In recent years, through a series of “combined blow” actions, Wuxi Cummins Turbo Technologies Co.,Ltd. intensively fight against counterfeit turbochargers which illegally adopted Holset brand. After previous market investigation in Fujian, Guizhou, Chongqing and Sichuan, Wuxi Cummins Turbo Technologies Co.,Ltd. arranged field visits and surprise market attack as well as assisted the local TV reporters with the tracking video-recording. Meantime, after the fight against the counterfeit products, the Company publicized the achievements. Through the above practical actions, the Company gave the manufacturers and sellers of counterfeit turbocharger products serious warnings and direct blow.

Zhangzhou of Fujian province is a centralized area of counterfeit turbochargers. From March to April of this year, the fighters against counterfeit turbochargers of Wuxi Cummins Turbo Technologies Co.,Ltd. came to the biggest automobile accessory market of Zhangzhou - Zhangzhou East China Industrial Products Wholesale Market. After acquiring relevant tip-offs and conducting complex investigation and evidence collection, the inspection team of Zhangzhou Longwen Administration for Industry and Commerce took immediate measures to mightily and rapidly wipe out the dens of selling counterfeit turbochargers, tracking down 35 sets of counterfeit turbochargers of infringing Holset brand and 29 sets of various counterfeit Cummins products from one merchant.



Counterfeit turbochargers illegally adopting Holset brand



Staffs from Administration for Industry and Commerce are counting infringing products.



Staffs from Administration for Industry and Commerce are moving the detained infringing products.



Detained infringing products

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Cummins' work of fighting counterfeit products was supported by various departments. We would express our gratitude to staffs who work hard to protect intellectual property and trademark rights and interests, including staffs from related law-enforcing departments and authorized distributors. Wish our partners go on cooperating with us in the future!

## Zhejiang Jiaxing is Found to Counterfeit Engines of CCEC

In the middle of August 2013, Chongqing Cummins Engine Co., Ltd(CCEC). received complaint of Mr. Yang in Jiaxing, Zhejiang, claiming that a generator equipped with CCEC KTA38-G9 engine purchased by Jiaxing Jian'an Company from an electromechanical company in Jiaxing was suspected of being counterfeit. To this end, CCEC designated the personnel concerned to Jiaxing in mid-late August.

Review was conducted for original of Equipment Sale and Purchase Agreement signed in June 2012, "Product Qualification Certificate" and some attached data provided by the user. It shows that the information on "Product Qualification Certificate" is inconsistent with certified product of CCEC, and the appearance of attached data is very rough and is not produced by CCEC. It is concluded by verifying the real object in the engine-site:

1. The nameplate on the engine has been removed and some of the parts number has been painted, which made it unrecognizable;
2. It is suspected that the engine cylinder blocks are imported products, for its surface is marked with "MADE IN GT. BRITAIN" and other words.
3. The part of the other parts, are marked with "MADE IN GT. BRITAIN", "MADE IN ENGLAND", "MADE IN GERMANY" and other word.

Therefore, from the perspective of real object, it can be sure that the engine is not the product of CCEC.

In addition, internal inquiry shows that certified engine of the same serial number has been sold to an end user in Guangdong in March 2013, and service staff provided repair service for this engine in June 2013.

Based on the above information, it is determined as follows: The "KTA38-G9" "CCEC Diesel" equipped by the generator set in Jiaxing City, Zhejiang Province is not the KTA38-G9 engine produced by CCEC.

At present, CCEC is positively supporting users to report to local public security organs to bring suspects of manufacturing and selling counterfeit engines to justice as soon as possible.



Counterfeit Cylinder Block marked "MADE IN GT. BRITAIN"



Counterfeit Packaging

## The Approval of New Amendment Bill of Trademark Law

Trademark Law of the People's Republic of China formulated in 1982 is the first specialized intellectual property law issued after the reform and opening-up. It was amended twice respectively in 1993 and 2001. It was amended twice respectively in 1993 and 2001. Over the 30 years' implementation, the Law has effectively promoted the development of Chinese trademark cause, which has rapidly connected Chinese trademark registration, management and protection with the international rules. On August 30, 2013, the third amendment bill of Trademark Law of the People's Republic of China, which is paid much attention by the public, has been reviewed and approved by the Standing Committee of the National People's Congress, which provides more law weapons for enterprises to fight against counterfeit products.

Standing Committee of National People's Congress Releases Decision on Revising the Trademark Law of the People's Republic of China. On August 30, 2013, the Decision of the Standing Committee of the National People's Congress on Revising the Trademark Law of the People's Republic of China (the "Decision") was adopted at the Fourth Session of the Standing Committee of the 12<sup>th</sup> National People's Congress.

The provision revised includes 6 aspects:

1. Add the provision of examination period of the trade mark;
2. Complete the objection system for trademark registration;
3. Clear the protection system for well-known trademark;
4. Strengthen the protection of exclusive right of trademark;
5. Regular the application and use of trademark and forbid the rush registration, maintain the fair competition of the market .
6. Regular the agency of the trademark registration.

According to the Decision, Article 8 is revised as :” Any sign that can distinguish the goods of a natural person, legal person, or other organization from those of others, including any word, device, any letter of the alphabet, any number, three-dimensional symbol, color combination, sound, etc, or any combination thereof, may be applied for registration as a trademark.” One paragraph is added after Article 13 as Paragraph 1 thereof:” Any holder of a trademark that is well known by the public may request for well-known trademark protection in accordance with this Law when believing that its rights are infringed.” Moreover, according to the Decision, Articles 15, 18 and 19 thereof and other clauses are revised.

### **The amendment bill of Trademark Law provides more powerful law weapons for enterprises' brand protection and fight against counterfeit products.**

The influences of this amendment bill of Trademark Law mainly focus on three aspects:

- Be more convenient for the trademark registration of enterprises' applicants. That voice can be applied for registration as trademarks is added; that new trademark registration application method of “one trademark, various categories” is added; the electronic application for trademark registration is opened; the procedure of trademark review communication between trademark administrations and applicants is added; the legal time limit of trademark and review is added; trademark opposition procedure is reframed (“anyone”, which was the main body of putting forward trademark oppositions by reason of prior right, is amended to “prior obligee” or “interested party”; upon review, if trademark administrations consider the opposition reasons to be false , the trademark registration will be directly permitted.)
- Further maintain fairly competitive market order. It is stipulated that well-known trademarks can only be identified by trademark administrations, trademark review committee or by the people's courts during the specific case hearing process. It is determined that well-known trademarks cannot be used in advertisement publicity, exhibition and other commercial activities. It is stipulated that the use of others' well-known trademarks and registered trademarks as the brands in enterprises' names to mislead the public belongs to unfair competitions. Rush registration of trademarks which, because of business contact, are clearly known by the applicants to be previously used by others. It is stipulated that infringers shall not assume compensation liability if trademark registrants cannot prove that the trademark was in actual use three years ago. The legal liability of trademark agencies is added, which requires that the trademark agencies to keep the commercial secrets of principals, that the agency of application which involves rush registration is not allowed and the trademark registration other than its agency service application is not allowed.
- Further strengthen the protection for the exclusive use right of trademarks. It is determined that the behaviors that help others implement the behavior infringing exclusive use rights of trademarks by purposely providing convenient conditions for infringement belongs to infringement act of trademark owners. It increases the penalty amount for trademark infringement acts and adds the severer legal punishment for trademark infringement acts. Where anyone implements two and more trademark infringement acts in five years or other serious cases, he/she shall be severely punished. Where anyone viciously infringes the exclusive use right of trademarks and the case is serious, punitive damages may be judged. In the case that obligees try their best to provide evidences while the books and data relating to the infringement act is mainly controlled by the infringer, in order to determine compensation amount, the people's court may order the infringer to provide books and data relating to the infringement. The upper limit of statutory compensation amount that the people's court can judge at its discretion is increased from 500 thousand Yuan to 3 million Yuan.

(Reference of some content: China Industry & Commerce News)



## The genuine and fake identification guidance on Cummins Filtration product ISF

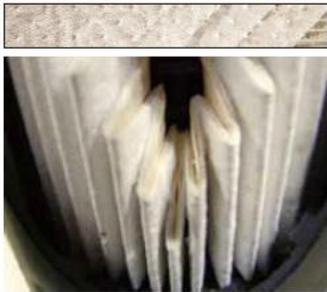
### Cummins products, reflect the true value

#### I More Excellent Performance

Fleetguard provides special original easy-to-use filter and after-sales parts for Cummins ISF2.8/3.8L engine, which adopts advanced polymer materials and less internal parts. It not only has the excellent performance, but also has the characteristics of easier loading and unloading and no leakage. counterfeit products before the anti-counterfeiting actions,

#### II. More advanced filter material

Pure ISF filter employs qualified and reliable patented media to capture metal and dust particles to prevent them from entering into parts of your engine. The patented Statapore™ filter paper used by FF5706 is composite multilayer filter paper capable of protecting your engine to the greatest extent.



Genuine Filter

From the filter paper section, we can see that Statapore™ filter paper is multi-layered. And regular holes are distributed on the surface.



Fake Filter

The filter paper is single layer, without hole-shaped pressure surface on the surface.

### To protect your engine using genuine Fleetguard products

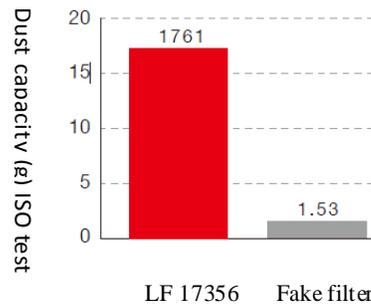
Do not be cheated by the cheap imitations or fake ones. Only genuine Fleetguard filtration products can ensure your engine operating more lasting, more powerful and cleaner

#### Genuine identification:

The genuine Fleetguard ISF products are accompanied with the DuPont three-dimensional anti-counterfeiting mark, and its identification method is as follows:

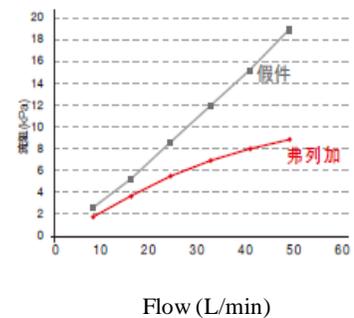
Observing anti-counterfeiting mark from four directions can see the bright spots in different amounts around Fleetguard in the middle (as shown in the figure below), and special code below the mark.

Genuine and fake Fleetguard user-friendly filter contrast test of dust capacity



Test parameter:  
Testing standard; ISO 4548-12  
Flow: 40L/min  
Termination of pressure difference 70 kPa  
Under the same conditions, the dust capacity of the genuine filter is 12 times of the fake one. It greatly extend the filter life and protect the engine.

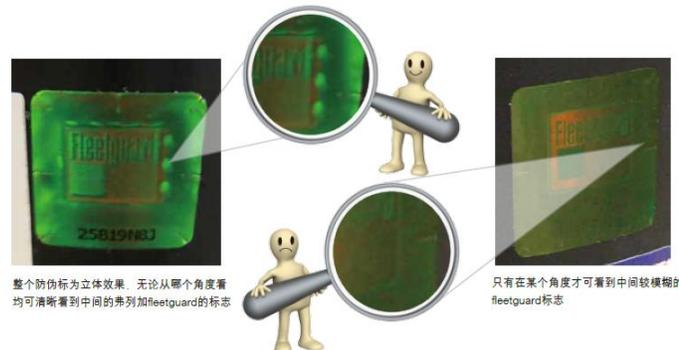
Genuine and fake Fleetguard user-friendly filter contrast test of dust capacity



When the flow is 40 min/L, the flow resistance of the fake filter is 2 times of the genuine one. It will reduce the filter life and shorten the replacement cycle. Meanwhile, the flow resistance is too large, the oil supply will be shortened, it will cause the equipment's power is insufficient and the equipment will not operate in full load.



The comparison photos of the genuine and fake anti-counterfeiting marks seen in reality:



The anti-counterfeiting mark has a three-dimensional effect. You can see the Fleetguard logo clearly in the middle part no matter from which point of view. You can see the vague Fleetguard logo in the middle only from a certain angle. If you find a suspected fake filter, and need to identify the genuine, or you want to report fake ones, please contact:021-61686168

## DCEC: How to perform the effect evaluation on the anti-counterfeiting work

In the value chain of the enterprise, all aspects involves in the effect evaluation on this work. As the last step of closed-loop management, the effect assessment can judge the gap between the actual objectives and the stated ones, which is a method used by organizations for work improvement.

Generally, the effect assessment method is to draw curves or broken line graphs through observed data, observe the trend changes before and after the intervention time of activities, analyze the data by using models and even predict the future according to the trend change.

Is this kind of quantitative assessment applicable to the fight against counterfeit products? it is an interesting question deserving discussion.

For example, if a company invested one million Yuan into the fight against counterfeit products in 2012 in order to maintain a normal market order, the company needed to know whether the investment in last year met the expectation and decide whether to continue the investment. Is the regional market sale data be the decision basis of the management departments? As far as we know, the sales process in the aftermarket is complex and there are many variables affecting sales volume, including price, channels, products, bribing sales of suppliers and etc. It is not scientific if the achievement of fight against counterfeit products is assessed only through the sales volume.

At this time, we may adopt another method --- the voice directly coming from the market --- to assess the effect of anti-counterfeiting. The collection of the end-users' viewpoint about the company's market normalization and anti-counterfeiting can give some quantized data which can help us assess the effect of anti-counterfeiting. For example, issue questionnaires and collect the feedback of end-users in the market on anti-counterfeiting. The results are shown in the following table(for example). The changes of figure can illustrate what about the promotion effect of anti-counterfeiting on sales, the recognition and acceptability of users for anti-counterfeiting and how anti-counterfeiting promotes the purchasing behavior of end-users,etc.

(Chart For Example)

<b>The questionnaire of the end customer</b>	<b>In 2012</b>	<b>In 2013</b>	<b>Effect</b>
Have you bought any counterfeit spare parts before?	10%	5%	Good
Have you ever heard the anti-counterfeiting and delisting event of Cummins and Dongfeng Cummins?	10%	80%	BEST
Will you try to persuade your friends if they want to buy counterfeit spare parts?	5%	30%	Better
Do you think that the presence of counterfeit spare parts in auto parts market is a serious problem?	15%	80%	Best
Did Cummins and Dongfeng Cummins let you understand the dangers of counterfeit spare parts?	5%	85%	Best
Do you support the anti-counterfeiting and delisting event of Cummins and Dongfeng Cummins?	25%	90%	Excellent

(From: DCEC Han Pengfei)

