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| Product PiracyThe fight against fake bearings – unique data matrix codes make investigations easier |
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* Counterfeit bearings can shorten the life of rolling bearings, leading to premature failure of machines, vehicles and other rotating equipment
* Buyers can protect themselves by purchasing bearings direct from the manufacturer or from a certified distributor
* Apps such as OriginCheck from Schaeffler can help buyers detect suspicious counterfeit bearings

*Birmingham, UK* | *06. October 2020* | Counterfeit bearings are a frequent cause of personal injury and material damage to vehicles and industrial machines. The best way for buyers to protect themselves and their customers is to purchase only direct from the manufacturer or through a certified distributor.

As a purchaser of bearings, you need to be sure that the products you are buying are genuine and will perform as the product datasheet states. Most don’t need to worry because they buy these products either direct from the manufacturer or via a certified distributor. These methods guarantee that any technical problems with the product can be resolved quickly and efficiently.

"Brand and product piracy is not a phenomenon that is limited to Asia or South East Europe. It also takes place right on our doorstep," says Ingrid Bichelmeir-Böhn, leader of the Global Brand Protection Team at Schaeffler. "The German and European markets are no longer only flooded with counterfeit luxury or consumer goods, there is also an increase in counterfeit industrial products that are relevant to safety such as rolling bearings."

So why do some companies still continue to purchase counterfeit bearings? Cost is almost certainly the overriding factor here. However, although the offer price for the bearings may initially look attractive, buyers must ask themselves what the potential hidden costs are in terms of product liability and credibility with their customers if the product turns out to be counterfeit and things inevitably start to go wrong. These could, for example, be critical bearings on high value machinery in a production plant. The buyer therefore needs to take into account the cost of any production downtime if the bearing fails early.

In addition to lost sales and significant loss of image through inferior-quality goods that may affect future business, there have been enormous costs arising from the investigation, seizure and professional disposal of counterfeit bearings. The disposal requires tight security, as only fully destroying the counterfeits will eliminate the danger for the consumer.

But the damage affects not only those companies that produce brand-name goods and invest heavily in research, development and quality assurance. It also affects those companies that install these components. Rolling bearings are used in virtually every piece of rotating plant and safety-critical machinery and vehicles, from machine tools, robots and wind turbines, through to passenger cars, trucks and rail vehicles.

Whenever customers or sales partners have reason to believe that a Schaeffler bearing they‘ve purchased may be a counterfeit, they can contact the Brand Protection Team (BPT) directly or via one of Schaeffler’s national companies. The BPT – the central department responsible for inquiries related to counterfeiting – can be contacted at piracy@schaeffler.com

The BPT receives many of these types of inquiries. In the last six months, the following events show that counterfeit products are commonly found on a global scale.

**Spectacular destruction of goods in Spain**

During a raid that took place in Spain in 2010, large quantities of counterfeit Schaeffler bearings were identified. The subsequent legal proceedings took nine years to complete, and it was not until December 2019 that the goods that had been seized could finally be destroyed. Those who might have purchased these counterfeit bearings were therefore saved from both technical damage in potential applications and financial losses.

**Italian customs stop counterfeits destined for Morocco**

At the start of January 2020, the BPT received an inquiry from the customs office in La Spezia, Italy, where a container of suspicious Schaeffler-branded rolling bearings had been stopped in transit. Once the BPT specialists saw the photographs of highly suspicious goods submitted via the OriginCheck app, they headed to La Spezia to check for themselves. Their suspicions were confirmed: 1,236 counterfeit Schaeffler rolling bearings were on their way to Morocco. The BPT then requested the seizure of the goods, thus setting proceedings in motion to ensure the destruction of the counterfeit rolling bearings.

**One data matrix code but several cases?**

Schaeffler sales partners regularly send inquiries regarding suspicious products to the BPT, who thoroughly review every single case. The data matrix code (DMC) – a unique code for each Schaeffler bearing – plays an important role here. Schaeffler has been able to identify duplicated codes on counterfeit products that had originally been applied to original Schaeffler products. These can of course only be counterfeits.

**A strategic approach – the first case**

The first of these duplicated DMCs was identified by the BPT at the end of 2019. This code was immediately tagged in the system and reported as suspicious to the OriginCheck app’s users. Once a DMC is marked as a counterfeit in the system, all subsequent inquiries relating to that code trigger a red warning message. Soon after blocking the code, Schaeffler received inquiries regarding the very same code from several countries including Greece, Brazil and Russia. It therefore became clear that this code had been used worldwide for different products. The counterfeiters have clearly been at work – and Schaeffler is investigating.

**How you can help us**

Should you come across a similar case, please send photographs of the suspect products to Schaeffler, who can then establish beyond doubt whether the code in question has been copied and used for counterfeit products. Schaeffler recommends using the OriginCheck app to draw on the experience that the Brand Protection Team is continuously gathering to help you detect suspicious and counterfeit goods.

The OriginCheck app is available free of charge for iOS and Android operating systems in German and English: <https://www.schaeffler.com/content.schaeffler.com/en/news_media/mediathek/apps/apps.jsp>

To report any suspicious counterfeit bearings, please contact the BPT via piracy@schaeffler.com



*Spain, December 2019: only after the proceedings were concluded did Schaeffler receive permission to destroy the parts that had been seized in 2010.*

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*The world is full of counterfeits: the Brand Protection Team at Schaeffler keeps track of the countries in which copies of a Data Matrix Code are found.*

Images: Schaeffler

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About Schaeffler

The Schaeffler Group is a leading global supplier to the automotive and industrial sectors. Its portfolio includes high-precision components and systems for engine, transmission, and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications. The Schaeffler Group is already shaping “Mobility for tomorrow” to a significant degree with innovative and sustainable technologies for electric mobility, digitalization, and Industry 4.0. The technology company generated sales of approximately EUR 14.4 billion in 2019. With around 84,200 employees, Schaeffler is one of the world’s largest family companies and, with approximately 170 locations in over 50 countries, has a worldwide network of manufacturing locations, research and development facilities, and sales companies. With almost 2,400 patent applications in 2019, Schaeffler is Germany’s second most innovative company according to the DPMA (German Patent and Trademark Office).

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