



NO TO FAKE

The counterfeiting of domestic appliances, car and motorbike parts

Consumer guide

How you can learn more to be better prepared.

Domestic appliances	3
CE mark	4
What to look for	5
Energy label	5
Car and motorbike parts	7
The various types of counterfeiting	10
Products most commonly counterfeited	11
Toolkit	12
The new regulations on tyres	13
The new European tyre label	15

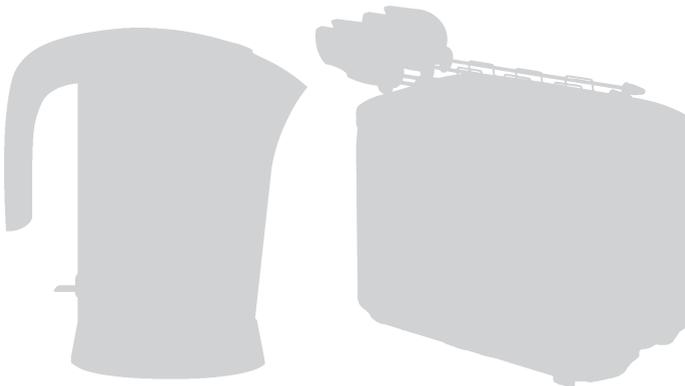
NO TO FAKE

Domestic appliances

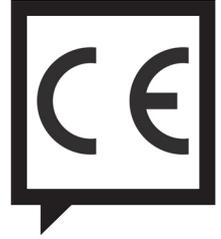
By definition, domestic appliances are tools or equipment powered by electricity and used in the home (fridges, washing machines, freezers, dishwashers, blenders, deep fat fryers, DVD readers and televisions etc). Their purchase is part of the daily life of every consumer.

When buying such a product, it is a good idea to make an informed decision about the product best suited to your requirements, to know how to read the labels on electrical appliances, and to have adequate information about safety, quality and energy efficiency. In recent years, it has become increasingly commonplace to hear about seizures of counterfeit electrical appliances. In the domestic appliance industry, unlike other commodity sectors in which the fakes are also manufactured in Italy, counterfeiting mostly relates to the imitation of a brand, or to products which are manufactured abroad before being imported and sold in Italy.

Such appliances do not meet safety standards and are sold outside of the authorised circuits, in other words, “door-to-door”, through conventions and auctions, and by means of telesales on regional and national channels. They are often products intended for the home, electrical or electronic equipment without any guarantee label or “CE” mark, or alternatively with a counterfeit or fraudulent mark. They are imported into Italy by Italian companies and re-sold nationwide, through specialised telesales and door-to-door companies. The presence of a counterfeit or fraudulent mark can deceive the consumer, even though the presence of a CE mark is not in itself an adequate guarantee.



The CE mark



A factor to take into consideration with regard to the safety and legality of your purchase is **the CE mark, a mandatory certification which shows that the product conforms to European standards.**

This self-certification is affixed by the manufacturer, who in so doing declares that he has complied with current **EC regulations on electrical safety and electromagnetic compatibility.** There is no obligation for any authority to verify the self-certification, although inspections may be carried out at any time.



In the European Union member states, there are various certification bodies who will issue certificates at the manufacturers request, after testing the product.

The Italian Institute of Quality issues the **IMQ mark, which certifies that tests have been carried out to check the compliance or products with all the standards issued by the Italian Electrotechnical Committee (CEI).** This label is a useful guarantee for the consumer, but it is necessary to always check that it relates to the entire appliance, not just to one part or component.

The Ecolabel mark certifies an eco-compatibility of the product throughout its lifecycle. Ecolabel certification is currently applied only to certain appliances.



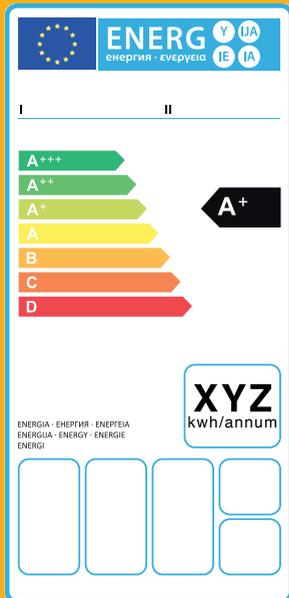
Toolkit

There are many factors to consider. First of all, you should remember that all domestic appliances must have a mark which clearly indicates:

- 1 **the commercial name;**
- 2 **type;**
- 3 **name of the model;**
- 4 **manufacturer's label;**
- 5 **serial number.**

For each appliance sold, the supplier must provide the public with an information sheet illustrating the product technical specifications and performance. The specific content required for each sheet, and each category of appliance, is determined by the legislator.

Energy label



It is very important to look at the **energy label** which, as required under **Directive 95/75 EEC**, must contain information about the annual energy consumption, expressed in kilo watt hours (Kwh).

The label must be written in Italian and must be clearly visible on the front or top of the appliance. The energy label must also state **the energy efficiency class**.

Domestic appliances are categorised by consumption classes, based on their efficiency. The classes are identified by letters: A indicates low consumption, while G indicates high consumption. The label contains a series of arrows of varying lengths and colours. Each arrow is

associated to the letter of the alphabet, from A to G. The length of the arrows from A to G indicates the consumption level: the higher, the product energy-efficiency, the shorter, the arrow marked by the letter A.

Directive 92/75 EEC established a requirement for the energy label to be applied to all the main domestic appliances. The introduction of Directive 92/75 into Italian law, with Presidential Decree **DPR 107/1998**, introduced an obligation for the labelling of fridges, freezers, washing machines, dishwashers, lighting equipment, air conditioning systems and electric ovens. Recently, **EU Directive 2010/30** and the associated regulations **extended the energy labelling obligation to all products which may have a direct or indirect impact on energy consumption** and on other essential resources during the use. (The directive does not cover second-hand products, vehicles used for transport of passengers or goods and the plate indicating the power of products).

As mentioned above, **the label contains a notice that a detailed card of the product and its performance is enclosed to the informative material provided with the appliance**, or to the in-store catalogue.

The manufacturer, his authorised representative in the EC, or the person who places the product on the EC market will provide the retailer with labels for the product, together with related information which must also state the information contained on the label.

Technical documentation must also be provided, to allow a full evaluation of the accuracy of the information on the label and on its card. The supplier must keep this documentation for five years from the date of manufacture of the last product, and it must be produced to the authorities on request. **The supplier is therefore responsible for the accuracy of the information contained on the labels and on cards.**

Any retailer or any other person selling, hiring, leasing or displaying a domestic appliance to end users must accompany the product with an information sheet written in Italian. When a product is displayed, the label, also in Italian, must be clearly visible in front of or above the appliance.

Car and motorbike parts

The car industry is governed by extremely detailed European and national laws on the standardisation of vehicles and their parts, product safety and conformity guarantees, and even the end-of-life treatment of vehicles and parts. However, the industry is not exempt from the problem of counterfeit parts (such as brake pads made from compressed minerals hardened in the oven and glued onto a metal plate).

The global business of counterfeit car parts corresponds to \$16 billion, and the market is growing at an annual rate of more than 10% (source: OECD)., Meanwhile, CENSIS data on the Italian market for counterfeit car parts has shown that it has a value of Euro 120 million, affecting 15% of the parts sold each year in Europe.

Most counterfeit spare parts are made in China, the source of at least two-thirds of the total volume of counterfeit goods circulating worldwide. They are also made in Singapore, Vietnam, India and other Asian countries. However, without the national and international distributors who unfairly and unknowingly trade in such products, they would never reach the Italian market and would probably never even be manufactured in the first place.

It is important to know that any manufacturer marketing counterfeit products which pose a risk to consumers in violation of the law will be punished with imprisonment from six months to one year, and a fine of Euro 10,000 – 50,000.



Counterfeit spare parts:

- **threaten the integrity of the vehicle;**
- **threaten the health and safety** of the person driving or using the vehicle: many car accidents have been caused by fake parts;
- **threaten the health and safety** of anyone who unlucky find themselves in the path of the vehicle in the case of an accident caused by a counterfeit part.

Added to this is the damage caused to the environment, as the materials used to manufacture counterfeit parts not only fail to meet safety standards, they do not comply with environmental protection standards either.

In general spare, parts can be classified as follows:

- **genuine spare parts from car-maker houses, made directly by houses themselves** or by third party manufacturers and marketed in franchising by spare parts services of houses. Through its network, spare parts are printed with the trademark of car maker house and sometimes with that of the third party manufacturer;
- **genuine parts:** these spare parts are identical to those supplied as original equipment (produced in franchising with the car manufacturer's logo), which the supplier markets directly through its own distribution networks: the part is printed with the trademark of the third party manufacturer;
- **equivalent parts** are marketed by approved suppliers to original equipment but in the case of the specific component it is not supplied to the car maker house as an original part of the house, but to complete the supplier's range of parts. The part is printed with the trademark of the third party manufacturer;
- **alternative parts**, made by third-party producers who do not supply the car maker houses. The parts do however meet certain production specifications which make them suitable for use as original or equivalent parts. Even in this case the trademark is that of the manufacturer, but the quality is usually lower than in other parts;
- **used (tested) parts:** these derive from the dismantling of cars, usually sent for scrap. The **Directive 2000/53/EC** on disused vehicles, introduced into Italian law by **Legislative Decree 209/2003** as amended by **Legislative Decree 205/2010**, governs the trading of parts recovered from disused vehicles (article 15(7) of Legislative Decree 209/2003). Where these parts relate to the vehicle's safety, their marketing is subject to testing in accordance with the provisions of article 80 of the Highway Code.



The safety-related parts requiring testing, according to Annex III of **Legislative Decree 209/2003**, are as follows:

- brake system
- steering
- suspension
- transmission

These components are tested by the workshop which installed them, and full details must be given in the invoice. The workshop assumes full liability for the testing. The warranty for used parts is limited to one year, unlike the guarantee for new parts, which is two years (article 128 et seq of the Consumer Code).

In addition to tested spare parts, there are also reconditioned ones. The reconditioning procedure is carried out by certain car manufacturers and producers of qualified, certified components, who set up specific production lines to carry out this type of work. As the term suggests, the reconditioning process ensures that the part is completely restored. It is completely dismantled, and each component is then cleaned before being tested on efficiency, quality and safety. It is usually resold at 30% less than the cost of a new part, but it has the same quality. In fact, the manufacturer usually offers a two-year warranty, as for new parts.



The various types of counterfeiting

The counterfeiting of spare parts can take various forms. The following is a list of the most common methods, according to a study carried out by the Italian Automotive Industry Association ANFIA:

- **total counterfeiting:** a product which uses the same brand and is visually similar to the imitated product;
- **brand counterfeiting:** the use of a brand on a product which is or may be completely different from the one marketed under the legal brand;
- **counterfeiting of declarations/certifications:** European quality certifications or declarations are used without having actually been obtained;
- **quality counterfeiting:** false declarations of quality and/or other characteristics;
- **patent counterfeiting:** unauthorised use of patents;
- **false wording:** the use of false declarations such as “Made in Italy”.

ANTI-COUNTERFEITING CALL CENTER + 39 06.47055800

ANTI-COUNTERFEITING FAX LINE + 39 06.47055750



Products most frequently counterfeit

Below is a list of the most frequently-counterfeit products, again according to a study carried out by the Components Group of ANFIA:

- disc braking systems for cars and other motor vehicles, and related components (brake pads and discs);
- fan belts, tensioners and water pumps;
- front and rear lights, trailer lights and headlamps;
- pistons, engine bearings and water pumps;
- spotlights, front and rear lights, fog lights, starter motors, alternators etc.;
- spark plugs, glow plugs, petrol and diesel injection system components, filters and windscreen wiper blades;
- bearings, water pumps, fan belt guides, hydraulic tappets, needle bearings;
- steering heads;
- brushes and clutches;
- wheel covers, fuel-fill compartments, heating control panels, symbols.

If we look at the percentage of parts most frequently counterfeit worldwide, the current distribution is as follows¹:

brake discs	18%
steering linkage	17%
brake pads	16%
engine components	16%
air and oil filters	4%
oil pumps	4%
other	25%

¹Source: OECD

Toolkit

- 1 **Buy from official, accredited sources** so you can be sure of the product's origin.
- 2 **Be careful when buying products on the Internet** or from a television channel.
- 3 **Be very wary** of “door-to-door” salesmen.
- 4 **Always bear in mind the ratio between the market price and the one you are offered.** Often, an excessive gap can be a sign of counterfeiting.
- 5 Before buying an expensive product, **seek assistance from an expert.**
- 6 **Never buy parts which are made from or contain electrical or electronic components if they do not have a CE mark.** Always remember that very often, **counterfeit products made in China bear a CE mark, which means “China Export”, and therefore the inclusion of this mark alone, which may be counterfeit, is not in itself a guarantee of conformity with technical standards.**
- 7 Bear in mind that the **unwitting purchase of a counterfeit product** is the same as buying a substandard one. Therefore, the provisions of the Consumer Code apply, which **provide for cancellation of the contract and reimbursement of the price paid.**
- 8 **Always request an estimate** when having work or repairs carried out at a workshop, **and check the quality and origin of the parts they use.**
- 9 When the work is complete, **always request an invoice with a detailed description** of the work carried out on any parts replaced. The invoice should also indicate the manufacturer and component codes, and the invoice is also valid for the purposes of the conformity guarantee.

The new regulation on tyres

Regulation 1222/2009/EC of the European Parliament and Council requires that all tyres for cars, light commercial vehicles and HGVs produced after June 2012 and sold in EU countries from November 2012 must bear a sticker or label to be displayed at point of sale, guaranteeing specific characteristics in terms of fuel consumption, safety in the wet, and noise.

The aim is to provide consumers with clear, transparent information about tyre quality, and to direct them towards products with lower fuel consumption, less noise and better grip on wet surfaces.

The label will be obligatory for C1 cars, light commercial vehicles in class C2, and heavy goods vehicles in class C3.

After domestic appliances, tyres now also have a set of regulations which prioritise safety and energy efficiency. Tyres are responsible for up to 20% of a car's total fuel consumption, and up to 35% of the consumption of commercial vehicles.

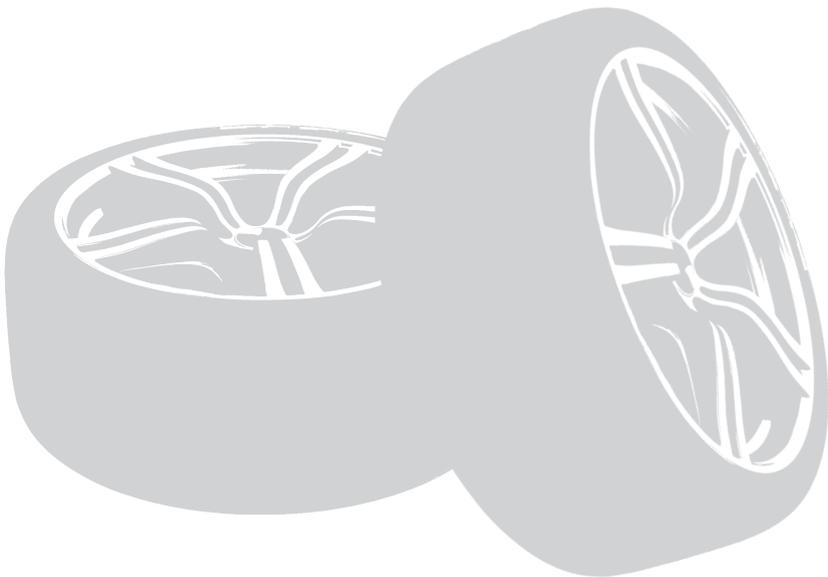


Specific regulations have been introduced in order to help consumers to make informed choices. In the same way as the labelling proposed for domestic appliances, the regulations measure a tyre's performance using seven letters, from the most efficient products, indicated with the letter "A", to the less "green" ones, identified by the letter "G".

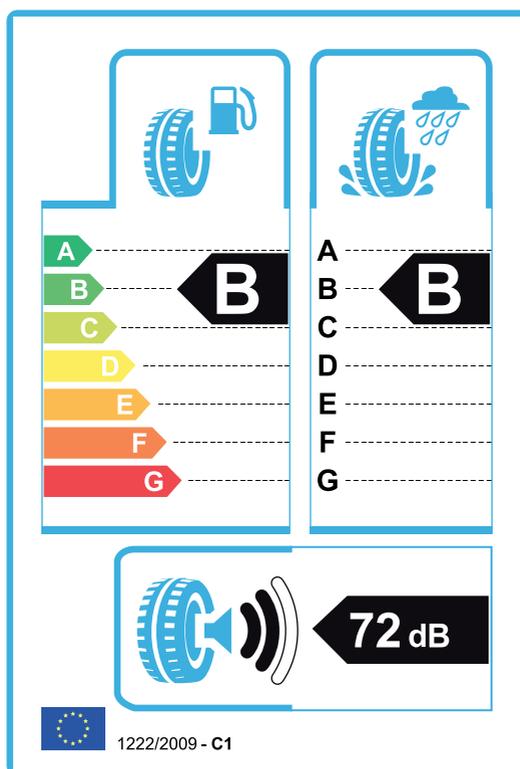
The new sticker will also contain three different icons, referring to the fuel consumption associated with rolling resistance, noise and safety in wet conditions.

From November 2012, all tyres delivered to customers must bear a label for each size and type. This requirement can be met by affixing a sticker to each tyre.

The promotional and technical materials must illustrate the values on the label of each tyre, in a comprehensible way. The websites of manufacturers and retailers must also contain information relating to the tyres they sell.



The new European tyre label





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The Ministry for Economic Development, consumers' associations and industry operators have joined forces to face an essential challenge that involves each one of us. Meetings, workshops, awareness-raising campaigns addressed to consumers and business people, a network of contact centres and instruments to help consumers and receive reports from the public. So we can say, together: "No to fake".

You can report cases of counterfeiting or request information from:

The Anti-Counterfeiting Call Center +39 06.47055800 except Saturdays and public holidays

Anti-Counterfeiting Fax line +39 06.47055750

E-mail: anticontraffazione@sviluppoeconomico.gov.it

www.sviluppoeconomico.gov.it

Ministry for Economic Development

Directorate-General for the fight against counterfeiting

Italian Patent and Trademark Office

Via Molise, 19 - 00187 Rome

www.uibm.gov.it