



UL's zero-tolerance policy for counterfeiting has led us to establish an aggressive program to help those protecting ports worldwide to recognize legitimate UL Marks. Devoting more than \$2 million (USD) annually to protecting intellectual property, UL's program includes comprehensive training seminars and reference materials to assist law enforcement in its anti-counterfeiting efforts.

Here's more information on UL's efforts to protect intellectual property:

- *More than 1,300 total seizures as of Dec. 31, 2005*
- *An estimated \$150 million (USD) in counterfeit products seized since 1995*
- *Annual training for law enforcement at key ports of entry throughout the United States and Canada*
- *Full-time staff dedicated to working with federal, state and local authorities to address counterfeiting*

Highlights

As a result of the training and education programs that UL has conducted, customs agents and other law enforcement officials are on the lookout for products that carry counterfeit UL Marks and take steps to prevent items from illegally entering ports around the world. Some significant accomplishments include:

Florida

Five individuals were indicted by a federal grand jury in Miami on three separate charges of conspiring to traffic in counterfeit goods; trafficking in counterfeit goods; and concealing and selling imported counterfeited goods. The maximum statutory sentences for these counts range from five to 10 years in prison and \$250,000 to \$2 million in fines.

U.S. Immigration and Customs Enforcement agents and officers from the Miami-Dade Police Department arrested the suspects and conducted searches of their homes, warehouses and flea market booths. The seized counterfeit clothing and accessories and untested and hazardous electrical cords and batteries carrying counterfeit UL certification Marks filled several tractor trailers.

Two individuals pled guilty and were sentenced to more than three years in prison. Two individuals were tried in the Southern District of Florida and convicted on three of six counts. Each was sentenced to nearly seven years of imprisonment. The fifth individual fled to China and is expected to be extradited to the United States.

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If you encounter a product that you suspect carries a counterfeit UL Mark, please contact us via e-mail at anticounterfeiting@us.ul.com.

California

An undercover operation led by agents from U.S. Immigration and Customs Enforcement culminated in a search warrant for a wholesale distributor of counterfeit UL extension cords and power strips in Vernon, Calif. More than \$60,000 of counterfeit product was seized. The distributor was arrested and pled guilty in U.S. District Court to trafficking in counterfeit goods. Sentencing is currently pending.

Texas and New York

Agents from U.S. Immigration and Customs Enforcement in Houston raided a wholesale merchandise distributor and seized counterfeit extension cords, power strips and hair trimmers valued at more \$350,000. Information obtained during the seizure revealed that these products were supplied from the New York metro area. Agents raided the New York location, seizing more than \$7 million of counterfeit electrical items. A jury found the Texas distributor guilty of six counts of trafficking in counterfeit merchandise as well as consciously and recklessly ignoring the risk of serious bodily injury to the public due to the sale of extension cords with counterfeit UL Marks. The distributor was sentenced to more than five years in prison.

Canada

After being alerted to an unsafe lamp purchased by a consumer, UL analyzed the product and found that the UL Mark was counterfeit and the product did not comply with safety standards. UL's research traced the counterfeit product to an 86-store retail chain operating in nearly every Canadian province. Unsatisfied with the response from store management, UL alerted the Royal Canadian Mounted Police that the lamp was likely still available for sale across Canada.

The RCMP embarked on a fact-finding mission, randomly selecting several stores for inspection. After the surveillance confirmed UL's suspicions, seven RCMP units conducted raids at more than 25 retail locations and seized a variety of counterfeit merchandise. In response to additional legal proceedings by UL, the remaining stores have removed the products from their shelves.

UL has subsequently tested 23 different variations of lamps and holiday lighting products gathered in these seizures. In every case, the products failed to meet safety standards.

The firm pled guilty to nine counts of distributing material infringing copyrights under the Copyright Act and was fined \$150,000.

Subsequently, the retail company was found to still be selling items bearing counterfeit UL Marks – both the company and its owner are facing additional civil and criminal charges.