

Counterfeit Product Warning

The proliferation of counterfeit electronic components (defined as having materials, performance, characteristics, or certifications knowingly misrepresented by the vendor, supplier, distributor or manufacturer) has been on the rise in recent years. Companies doing business in emerging economies are especially vulnerable, partly because enforcement of laws regarding counterfeiting is poor. "Buyer Beware" has never been more important.

Impact of Counterfeiting:

- Increased social costs, misinformed/misled/misguided public.
- Missed commercial and municipal tax revenue.
- Job loss.
- Void product warranties, product failure, recall, and/or replacement.
- Extreme financial liability (possible bankruptcy).
- Potential consumer injury and/or death.
- Crippling litigation.
- Loss of credibility, tarnished reputation, customer dissatisfaction.
- Unknown number of years to flush counterfeit products from supply chain.

Typical Characteristics of Counterfeit Products:

- Unusually low price compared to other suppliers or near-immediate availability.
- Unusual claims of product performance versus that of the authentic manufacturer.
- Abnormally favorable sales conditions (e.g. generous payment terms, price dumping, etc.).
- Irregular use of language/grammar, odd layout and fonts, inaccurate part numbers, date codes, agency information, dubious certification marks.
- Discrepant or suspicious shipping documents.
- Mis-match to originally-approved prototypes.
- Physical alterations (e.g. sanding, label replacement, wire splicing).

What Can You do to Avoid Risk of Counterfeit Components:

- Purchase directly from manufacturer or authorized agent.
- Obtain complete products and material traceability.
- Improved inspection protocol (e.g. verification of RoHS compliance claims).

When Counterfeit Products are Found:

- Contact "real" supplier immediately.
- Contact relevant safety agencies.
- Determine product and inventory risk/exposure.
- Consider warning to customers and/or recall.

Sources:

- <http://www.designchainassociates.com/counterfeit.html>
- http://www.avcom-dmsms.com/resources_docs/Avoiding_Counterfeit_Electronic_Components.pdf
- <http://www.ors-labs.com/pdf/MASH07CounterfeitDevice.pdf>
- http://www.iec.ch/about/brochures/pdf/conformity_assessment/IEC_Counterfeiting_brochure_LR.pdf