

## **SKF Brand Protection** *Protecting our brand & our customers*

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## SKF – a truly global company

1907

- Established
- Sales 2013
- Employees
- Production sites
- SKF presence
- Distributors/dealers
- Global certificates

SEK 63,597 million 48,401 around 140 in 28 countries in over 130 countries 15,000 locations ISO 14001 OHSAS 18001 certification

Brand Protection

**10 persons full time**30 local "champions"





## It is not only bearings



## **Setting the scene**

Customer attitude	Knows that it is counterfeit	Think it is genuine	Think it is genuine
Price	Much lower	Same as genuine	Same as genuine
Sales channel	Usually "street sales"	Mainly on Internet	Perceived as legitimate
Risks for the consumer	Low	High	Medium



## **Risk of using counterfeits**





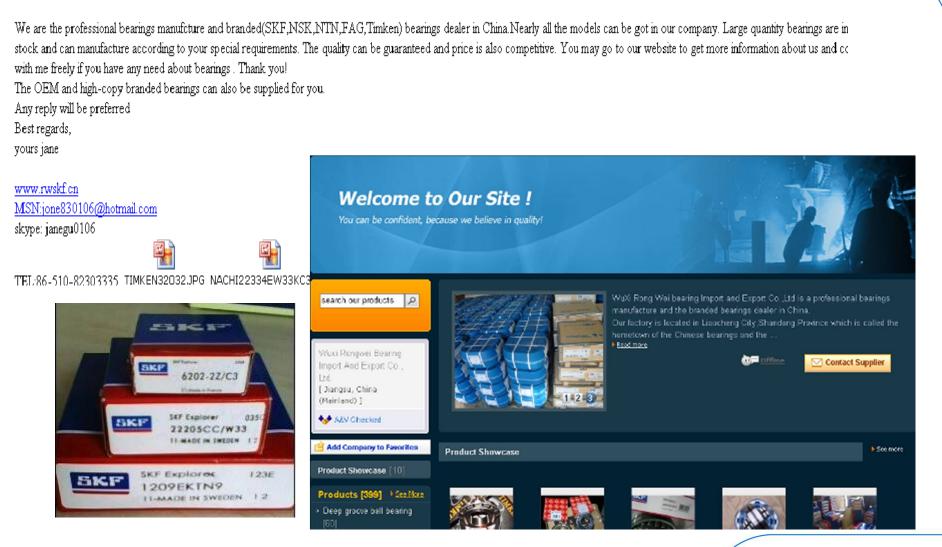


Bearing failed after 36 hours of operation – causing significant damage and downtime



## **Promotion on the Internet**

#### Hello dear





## Raid against non-authorized distributor





## **SKF Anti-Counterfeiting activities**

## Driven from central team but in high interaction with local sales units Create Take Internal knowledge Legal actions Increase Handle **Market awareness Authorities** Assure Manage **Authorized DD flawless Authentication**



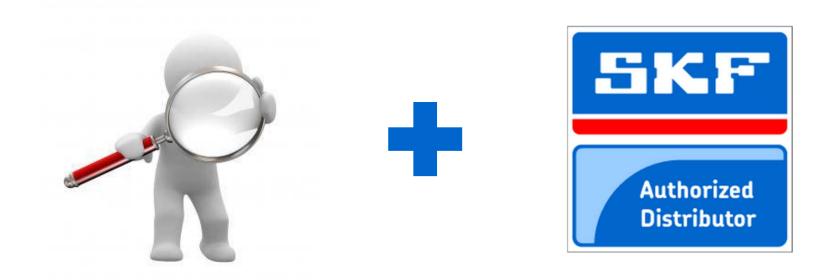
## **Business Driven strategy**

- Focus on awareness rather than legal actions
- Legal actions directed versus the end of the supply chain rather than the "sources".
- Criminal action rather than civil action.
- Public apology rather than financial damage

## **Customer Never Cheated**



## **Supporting the customers**

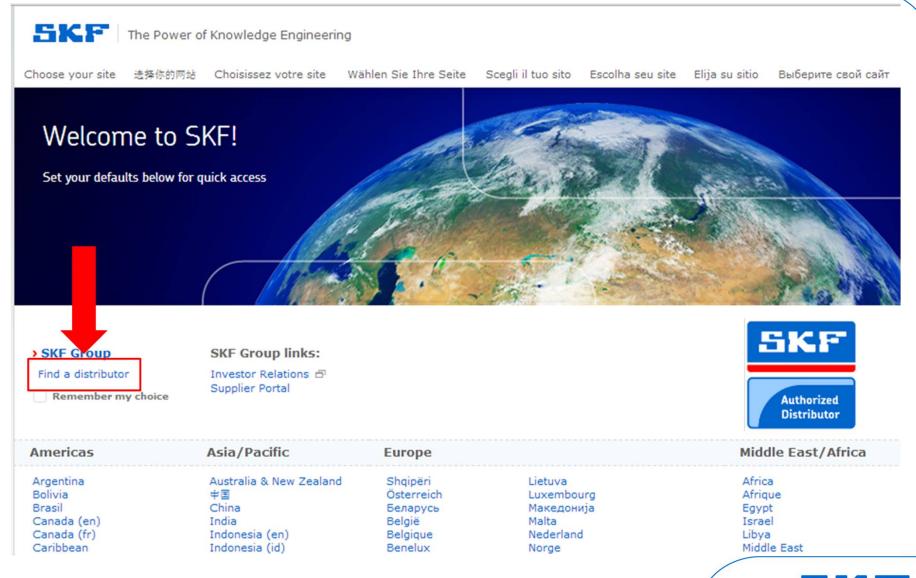


SKF offers inspection of customer stocks to identify counterfeit SKF products.

Use trusted sources for all your bearing purchases



## Make it easy to find the distributors – www.skf.com





## **Benchmark with others**

- SKF is open with the existence of counterfeit.
- Business Driven Approach. Not relying on legal means only.
- No "leakage" from licenced production.
- No ambition to teach customers being able to see the difference.
- High degree of involvement of local companies.
- Resist outsourcing of brand protection activities.
- Action vs. the "demand" rather than the "source".



#### **Experience in Sweden**

- Non-authorized bearing dealer selling counterfeits to SKF ٠ customers.
- Police raid in March 2010. 3 tons, 7000 pcs. •
- Court proceedings, •
  - "Tingsrätten", December 2012 Jail sentence 1 year ٠
  - "Svea hovrätt", September 2013 Probation ٠
  - "Högsta domstolen", May 2014 ٠

- Probation



## **Experience in China**

- Dedicated SKF team since 10 years. Currently 3 FTE.
- Activities done alone or through World Bearing Association
  - Customs (GAC and local districts)
  - Administrative actions (AIC)
  - Criminal actions (PSB)
  - Civil actions
- Attention level from authorities is much higher than EU and Sweden in particular.



## **Creating relationship with authorities**





## Award giving at Shanghai customs





## **Efficient IPR enforcement**

- Dedicated authorities fighting counterfeits
  - Prosecutor & Courts
  - Police
  - Customs
- Enable information sharing between brand owners and authorities
- Stronger punishments no deterrent effect



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